THE CONSUMERS' COUNSEL

OF THE

UNITED STATES DEPARTMENT OF AGRICULTURE

Origin

There was no precedent in the Federal Government for the establishment of the Consumers' Counsel Division of the Agricultural Adjustment Administration in 1933. Previously, consumers had been served, but not directly represented, by a few governmental agencies, such as the Food and Drug Administration and the Bureau of Home Economics of the Department of Agriculture, the Bureau of Foreign and Domestic Commerce of the Department of Commerce, the Federal Trade Commission, and the National Bureau of Standards.

In various states the consumers' interest has been represented by a People's Counsel in the proceedings of Utilities Commissions. Perhaps the idea for a Consumers' Counsel in the Government grew from a study of the activities of these State People's Counsels.

The term "Consumers' Counsel," as a Federal agent, first appears in an amendment to the tariff bill of 1929 (H. R. No. 2667), which would have created a Consumers' Counsel of the Tariff Commission. This provision was not adopted. A proposed amendment to the Tariff Act of 1930 (H. R. No. 6662), providing for a Consumers' Counsel of the Tariff Commission, was vetoed on May 11, 1932, by President Hoover. A study of the Congressional debates reveals that the leading advocates of the amendment, including Speaker Rainey and Senators Harrison and George, took the following stand:

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"1. That the Tariff Commission was a judicial body and therefore
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or anyone else.

2. That the manufacturers were well represented while the consuming public was unorganized, without funds, and the financial stake of the individual in any tariff change was relatively small.

3. That the Consumers' Counsel would have access to all of the confidential information of the commission and could use it in the interest of the consuming public.

4. That the main interest of the Consumers' Counsel would be to protect the public where commodities were involved which were purchased directly, such as food, clothing, etc." 1/

The consumer clause in the Agricultural Adjustment Act (Public 10, Seventy-third Congress, Title I), which was enacted on May 12, 1933, provided for the consideration of the consumers' viewpoint in administrative policy making. Many students of government have regarded this provision as a new and outstanding contribution to political administration. The broad purpose of the Act was to increase the prices of farm products, but it provided that prices should not go above consumers' purchasing ability. The sections of the Act pertaining to the consumers' interest state as follows:

DECLARATION OF POLICY

"Section 2. (3) It is hereby declared to be the policy of Congress--to promote the consumer's interest by readjusting farm production at such level as will not increase the percentage of the consumer's retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer above the percentage which was returned to the farmer in the pre-war period, August, 1909,--July, 1914.

"Section 9. (e) When any processing tax or increase or decrease therein takes effect in respect to a commodity the Secretary of Agriculture, in order to prevent pyramiding of the processing tax and profiteering in the sale of the products derived from the commodity, shall make public such information

1/ Memorandum from J. J. Schalet and D. M. Dent to Dr. Frederic C. Howe, April 28, 1934.

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as he deems necessary regarding (1) the relationship between the processing tax and the price paid to producers of a commodity; (2) the effect of the processing tax upon prices to consumers of a product of the commodity; (3) the relationship in previous periods, between prices paid to the producers of the commodity and prices to consumers of the products thereof, and (4) the situation in foreign countries relating to prices paid to producers of the commodity and prices to consumers of the products thereof."

A careful study of these consumer sections shows that they really protect the packers more than the consumers. By 1934, these provisions were considered poorly worded by legal experts, who submitted a new consumer amendment for Congressional consideration. This amendment stated: "To protect the consumers' interests by eliminating marketing waste, and increasing efficiency in distribution of agricultural commodities and the products thereof." 2/ This measure was not enacted.

According to Mr. Frederick P. Lee, Secretary Wallace's lawyer who drafted the Agricultural Adjustment Act, Secretary Wallace personally wrote paragraph three of the Act's second section. The Act was drafted in a very limited time (less than five days), and on the last afternoon beforeit was introduced into Congress, Secretary Wallace added the consumer paragraph.

When the Agricultural Adjustment Act was formulated, the framers apparently did not intend to create a Consumers' Counsel Division, but the provision stressing the consumers' interest has been a convenient reference to justify the later establishment of the Division. The idea for the Division was originally conceived by Dr. Ezekiel, who desired a consumers' representative "as an offset to the pressure groups from business and producers." 3/ Dr. Ezekiel was also active in promoting representation of the consumers' viewpoint in the National Recovery Administration.

2/ Memorandum from Gardner Jackson, Research Assistant, Consumers' Counsel Division, to Dr. Frederic C. Howe, March 7, 1934.
3/ Persia Campbell, Consumer Representation in the New Deal, 202, (New York, 1940).

to be deemed necessary therefrom (1) the relationship between the processing tax and the price paid to producers; (2) the effect of the processing tax upon prices to consumers of a product of the commodity; (3) the relationship in previous periods, between prices paid to the producers of the commodity and prices to consumers of the products thereof, and (4) the situation in foreign countries relating to prices paid to producers of the commodity and prices to consumers of the products thereof."

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According to Mr. Frederick P. Lee, Secretary Wallace's lawyer who drafted the Agricultural Adjustment Act, necessary changes personally were made in paragraph three of the Act's second section. The Act was drafted in a very limited time (less than five days), and on the last afternoon beforeit was introduced into Congress, necessary changes added the consumer amendment.

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2/ Letter from Attorney Jackson, Consumer Assistant, Consumers' Division, to Mr. Frederic C. Howe, March 7, 1934.
3/ Interviews Carpenil, Consumer representation in the New Deal, Vol. 1, (Ms. Vol. 1940).

Rexford G. Tugwell, Assistant Secretary of Agriculture in 1933, helped Dr. Ezekiel formulte a plan for representation of the consumers' interest in the Government. He declared:

> "I am sure that no previous administration ever took its responsibility to consumers so seriously;...The organization of industry into larger producing units has progressively weakened the position of consumers in the market. The time has come for them to organize if they are ever going to. They can still exert some pressure through the market, but also they can influence governmental policies." 4/

Dr. Tugwell and Dr. Ezekiel discussed their proposed consumer program with President Roosevelt, who also agreed that consumers should be represented in the New Deal program. Mr. Roosevelt knew that the benefits of the New Deal would be nullified if the consumers could not afford to purchase goods from the producers. In 1932, Governor Roosevelt declared:

> "I believe we are at the threshold of a fundamental change in our popular economic thought, that in the future we are going to think less about the producer and more about the consumer." 5/

The Assistant A.A.A. Administrator, Mr. Brand, worked closely with Dr. Ezekiel on the problems of consumers. Mr. Brand was responsible for actually outlining the organization and the functions of the Consumers' Counsel Division. He convinced Administrator Peek that a Consumers' Counsel would help the A.A.A., in much the same manner as a Consumers' Counsel was expected to help in N.R.A. code formulation. It is interesting to note that New Deal leaders exercised the initiative in providing for representation of the consumers in the Government, rather than the leaders of organized consumer groups.

4/ Rexford G. Tugwell, Address delivered before the Consumers' League of Ohio, Cleveland, (May 11, 1934).

5/ Governor Franklin D. Roosevelt, Address at Oglethorpe University, (May, 1932).

Mr. Tugwell, President Roosevelt's Assistant in charge, called Mr. Frank to make a plan for representation of the consumers' interest in the Government. He declared:

> "I am sure that no previous administration ever took its responsibility to consumers so seriously;...The organization of industry into larger producing units has progressively weakened the position of consumers in the market. Politics was some far-off thing to consumers if they were even aware of it. They can still exert some pressure through the market, but also they can influence governmental policies." 4/

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Administrator Peek set up six divisions within the Agricultural Adjustment Administration: Analysis Committee, Coordination Office, Comptroller's Office, General Counsel's Office, Office Manager, and Office of Consumers' Counsel. The Division of Consumers' Counsel was created in June 1933, by the order of the Secretary, Henry A. Wallace. Secretary Wallace sent a memorandum to Administrator Peek on June 10,1933, which states in part:

> "You have already provided, through your two divisions, for adequate representation of the producer and the distributor and processor. These two divisions are headed by men who have broad experience and sympathy with these groups of interests. If we are to justify our decisions before Congress and other political groups, however, the record must show that we have given equal consideration to the consumers' interests. That was why I suggested the creation, within your organization, of a unit specially charged with examining each proposed action from the consumer's point of view; and staffed and equipped to carry out the necessary accounting, statistical, and economic investigations as a basis for its reports to you. With formal reports covering this aspect, as well as the other aspects of each agreement in front of you before you took final action, we would be able to defend our decisions when the inevitable public investigations of our operations are made.
>
> "I have checked with the President as to my point of view in this matter, and find that he agrees with me thoroughly. He feels we should see that our organization is so developed that the consumer is fully protected, and that the record of our work on each case is clear when the time comes for the later inspection and investigation.
>
> "The matter of preparing to defend our actions before the courts is equally important. The cases on which we act during these first months are the ones which are almost certain to become tests cases. Unless we can adequately defend our actions on these cases, what we can do through the whole life of the Act may be limited or unduly circumscribed by unfavorable decisions." 6/

This memorandum was drafted by Dr. Ezekiel and Dr. Tugwell, who emphasized the expediency of a consumers' representative to win Mr. Peek's support. Mr. Peek was not over enthusiastic about the creation of a

6/ Memorandum from the Secretary to Mr. Peek, June 10, 1933.

Administrator feel not to act in advance with the Departments of Agriculture, Interior, Commerce, Labor, Treasury, Justice, Commerce, Consumers' Counsel, General Counsel's Office, Office Counsel, and Office of Consumers' Counsel. The Division of Consumers' Counsel was created in June 1933, by the order of the Secretary, Henry A. Wallace. Secretary Wallace sent a memorandum to Administrator Peek on June 19, 1933, which states in part:

"You have already received, through your own channels, the representations of the consumer and the distributor and producer. These two divisions are usually by far most numerous and sympathetic with these groups of interests. If we are to justify our decisions before Congress and other political groups, however, we must be sure that we have given equal consideration to the consumers' interests. That was why I suggested the creation, within your organization, of a unit specially charged with safeguarding consumer interests. The Consumer's Division is primarily concerned with analyzing and reporting on the economic, statistical, and economic investigations as a basis for its reports to you. With formal reports covering this subject, as well as the other subjects of each department in front of you before you took final action, we would be able to defend our decisions from the inevitable public investigations of our operations are made.

"I have checked with the President as to my point of view in this matter, and find that he agrees with me thoroughly. He feels we should see that our organization is so developed that the consumer is fully protected, and that the record of our work on each case is clear when the time comes for the later inspection and investigation.

"The matter of preparing to defend our actions before the country is equally important. The cases on which we act during these first months are the ones which are almost certain to become test cases. Lately, in some superficially serious complaints, we have found, upon examination, the whole life of the act is lighted or wholly misrepresented or otherwise treated."

The conclusions were drawn by Mr. Donald Ma. Tugwell, who commissioned the representatives of the consumers' representative to win Mr. Peek's support. Mr. Peek was not over enthusiastic about the creation of a memorandum from the Secretary to Mr. Peek, June 10, 1933.

Consumers' Division. He claimed that the Secretary was under the influence of socialists -- Felix Frankfurter, Rexford G. Tugwell, and Jerome Frank. 7/ Mr. Peek and Dr. Ezekiel did not see eye to eye on economic questions. Mr. Peek, who was seeking to make the best marketing agreements he could with industry, was not sympathetic toward the Consumers' Counsel's request for access to the books of industry in order to protect consumers.

The Consumers' Counsel Division was set up in the Agricultural Adjustment Administration by the Administrator, and could legally exist only at his will. This uncertain position weakened the Division's effectiveness. Later legislative bases gave the Division greater security. These were the Agricultural Marketing Agreement Act of 1937, Section 2, Paragraph 2, "To protect the interest of the consumer...:"the Soil Conservation and Domestic Allotment Act as amended, Sections 7 (a) and 12; the Sugar Act of 1937, Section 201; and the Agricultural Act, 1938, Section 2, "Assisting consumers to obtain an adequate and steady supply of such commodities at fair prices," and Section 304, "Consumer Safeguards."

Dr. Frederic C. Howe, a former lawyer and a vigorous crusader, was appointed "head of the division for the protection of the consumer under the Act" 8/ on June 16, 1933, by Administrator Peek and Mr. Brand, at one of their daily conferences. Mr. Brand had known Dr. Howe when the latter had served as U. S. Commissioner of Immigration during World War I. Dr. Howe's official title was Consumers' Counsel, and his salary was established at $9,000 a year. He established his office on June 22, and during the first few months he referred to it as the Trade Agreement Division. Dr. Howe

7/ George N. Peek with Samuel Crowther, Why Quit Our Own, 13, (New York, 1936).
8/ Letter from Frederic C. Howe to Mr. F. J. Hughes, Administrative Assistant, July 5, 1933.

consumers' division. He claimed that the industry was under the influence of monopolists -- Julius Rosenwald, Stephen C. Trowell, and Lessing Rosenwald. Dr. Ford and Dr. Trowell did not see eye to eye on monopoly practices. Dr. Ford, who was seeking to make the Food Administration independent of could site Hoover, was not particularly happy the consumers' "demand" request for access to the books of industry in order to produce documentary.

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Dr. Frederic C. Howe, a former lawyer and a vigorous crusader, was appointed head of the division for the protection of the consumer under the Act on June 15, 1933, by Administrator Peek and Mr. Frand, at one of their daily conferences. Mr. Frand had known Dr. Howe when the latter had served as Commissioner of Immigration during World War I. Dr. Howe's official title was Consumers' Counsel, and his salary was established at $9,000 a year. He established his office on June 22, and during the first few months he referred to it as the Trade Agreement Division. Dr. Howe

[1] Interview with Frederic C. Howe, Washington, D. C., June 15, 1934.

was a vigorous fighter for the consumer cause and the cooperative movement. He dramatically crusaded for many reforms to help the "average man," and vigorously engaged in publicity campaigns. Apparently Dr. Howe did not win the confidence of Administrator Peek, for after Peek's resignation he bitterly wrote:

> "Our two great errors were in accepting Jerome N. Frank from Secretary Wallace as General Counsel and putting in F. C. Howe as Consumers' Counsel. Mr. Brand had previously known Dr. Howe as an earnest worker for consumers' interests, but unfortunately he did not know that Dr. Howe had been seriously bitten by some kind of pink bug and had accumulated a hazy, half radical, half uplifter set of views and attitudes. It turned out that he was against the profit system and was all for abolishing it -- without, however, exactly knowing what he wanted to put in its place." 9/

Administrator Peek retained Mr. Frederick Lee as Personal Counsel and gave him his salary, since he did not wish to be entirely guided by the General Counsel's advice.

Dr. Howe appointed Dr. Thomas C. Blaisdell as Chief Assistant of the Division. In 1934, Dr. Blaisdell became Director of the Consumers' Advisory Board of the N. R. A., and in 1935, was appointed Director of the Consumers' Division of the National Emergency Council. Many other economists were added to Dr. Howe's original staff.

A Publicity and Information Section was created in the Division under the director of Miss Mary Taylor. The publication of the Consumers' Guide has been the outstanding activity of this Section.

In July 1933, a Correspondence Section, headed by Mrs. Iris C. Walker, was established. Annual consumer requests for information on commodity buying have risen from 10,000 letters to 40,000. Thousands of requests are also received for Government printed matter on specific subjects. Many

9/ Peek with Crowther, Why Quit Our Own, 107.

letters from consumers complain of profiteering and shoddy goods. A majority of the requests for assistance come from city housewives. The growth of the consumer movement can be measured in one respect by the increasing demands upon the Consumers' Counsel for information between 1933 and 1942.

In December 1933, Administrator Peek resigned, and he was succeeded by Mr. Chester C. Davis. Mr. Peek complained that he had only been "window dressing." In January 1934, during an A. A. A. reorganization, the Division of Consumers' Counsel was made a Section under the Division of Information, directed by Mr. A. D. Stedman. The Consumers' Counsel Section regained its original status as a Division after Dr. Howe's resignation in February 1935. At the time, Raymond Gram Swing wrote: "The purge is the defeat of the social outlook in agriculture." 10/

After his resignation, Dr. Howe served as an adviser to Secretary Wallace. In 1937, he became an adviser to President Manuel Quezon of the Philippine Commonwealth on cooperative problems. At the time of his death in 1940, he was working with the Federal Monopoly Committee.

Dr. Calvin B. Hoover, an economist from Duke University, succeeded Dr. Howe as Consumers' Counsel, on February 21, 1935. Dr. Hoover's calm personality undoubtedly kept the Division on even keel during the troubled period of 1935, when the Division's functions were not clearly understood. Dr. Hoover sought to help both the farmer and consumer by cutting the cost of distribution. An organization chart reveals that there were five sections operating at this time:

10/ Raymond Gram Swing, The Nation, 216 (February 20, 1935).

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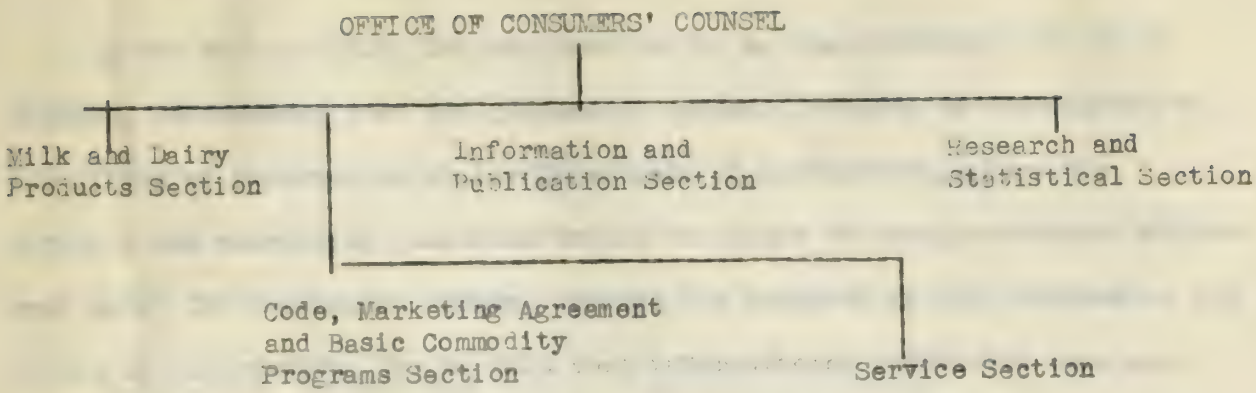
After his resignation, Dr. Dewey served as an advisor to Department of Agriculture. In 1945, he became an adviser to President Quezon of the Philippine Commonwealth on cooperative problems. At the time of his death in 1940, he was serving also as Federal Security Commissioner.

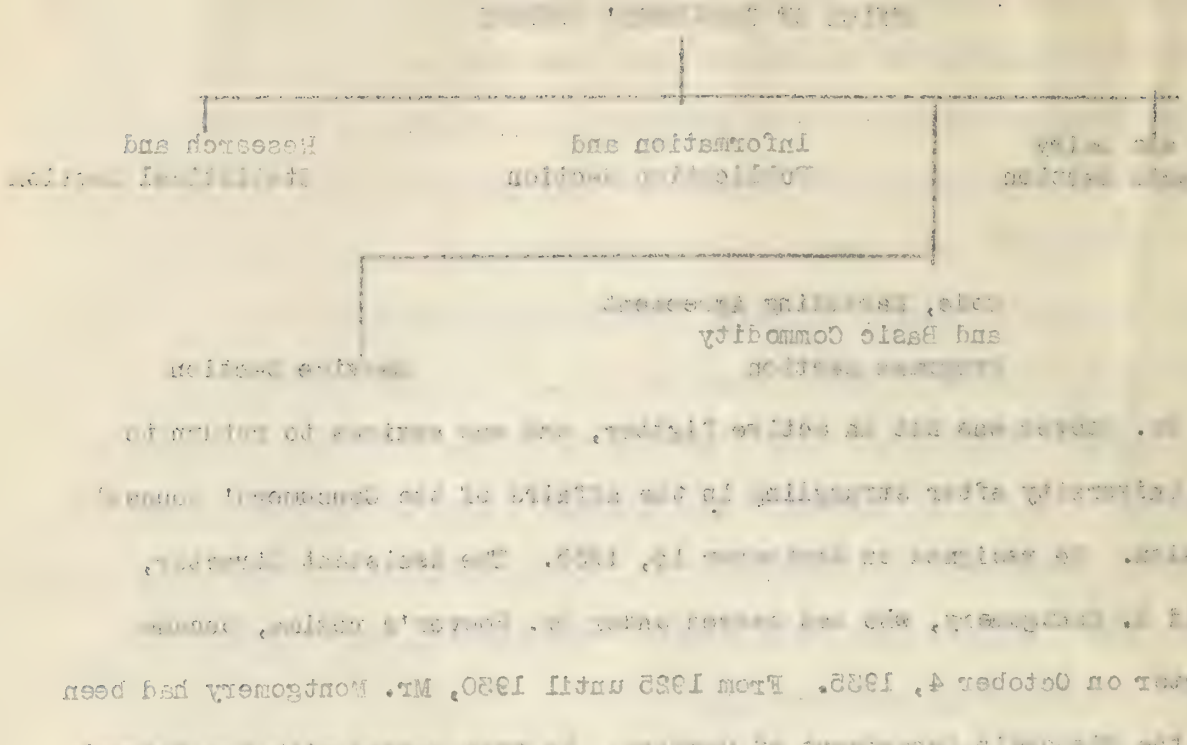
Dr. Alvin S. Dewey, an economist from Ohio University, succeeded Mr. Lee as Consumers' Counsel, in January 21, 1942. Dr. Dewey's calm personality undoubtedly kept the Division on even keel during the troubled period of 1942, when the Division's functions were not clearly understood. Dr. Dewey sought to help both the farmer and consumer by cutting the cost of distribution. An organization chart reveals that there were five sections operating at this time:

[10] Raymond Moley, Dewey, The Nation, 151 (January 20, 1940).



Dr. Hoover was not an active fighter, and was anxious to return to Duke University after struggling in the affairs of the Consumers' Counsel Division. He resigned on September 15, 1935. The Assistant Director, Donald E. Montgomery, who had served under Dr. Hoover's regime, became Director on October 4, 1935. From 1925 until 1930, Mr. Montgomery had been with the Wisconsin Department of Markets. He then served with the Federal Trade Commission and the Securities and Exchange Commission, before coming to the Department of Agriculture. Mr. Montgomery was genuinely interested in helping consumers, and democratically assisted all groups, irregardless of their prestige. His refusal to back down from controversial subjects, even when opposed by strong "producer pressure groups," won the admiration of his consumer following. Mr. Montgomery was a fighter who loved a good show, and often pushed his Division beyond the provisions of the Agricultural Adjustment Act, in order to help the consumer.

The production control program of the Agricultural Adjustment Administration was declared unconstitutional on January 6, 1936. The A.A.A. program now tended more toward increased production, and there seemed to be less need for the continuation of the Consumers' Counsel Division. There are few existing records of the Counsel's activities during this period.



Mr. Montgomery was not a native Virginia, and was anxious to return to Cornell University after struggling in the affairs of the Consumers' Counsel Division. He resigned on December 15, 1933. The Assistant Director, Donald L. Montgomery, who had served under Mr. Power's direction, became director on October 4, 1933. From 1933 until 1950, Mr. Montgomery had been with the Economic Department of Macy's. He then served with the General Trade Association and the Industries and Consumer Organization, before coming to the Department of Agriculture. Mr. Montgomery was genuinely interested in helping consumers, and democratically assisted all groups, irregardless of their prestige. His retreat to back down from controversial subjects, even when pressed by strong "producer pressure groups," won the administration of his successor following. Mr. Montgomery was a fighter who loved a good game, and often pushed his division beyond the provisions of the Agricultural Adjustment Act, in order to help the consumer.

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In the fall of 1938, the Assistant A. A. A. Administrator, Mr. A. D. Stedman, recommended that the Consumers' Counsel Division be transferred to the Office of Information of the Department of Agriculture, since the Division was exercising functions beyond the scope of the Agricultural Adjustment Act. The Consumers' Counsel opposed the transfer of his Division to the Office of Information, for he felt that informational activities were only one of the two major functions of the Consumers' Counsel Division, the other being the protection of the consumers' interest during the formulation of the farm program.

The Consumers' Counsel found it exceedingly difficult to function as a subordinate office. He felt that he could not discharge the responsibilities and obligations of his office if he were limited by an order not to express public disapproval of any decisions or actions of the Secretary. The Director of Information declared, however, that it was not considered loyal and not permissible for the Consumers' Counsel to publicly criticize the policies of the Secretary. The Consumers' Counsel, according to the viewpoint of the Department, must be limited to participation in program formulation, and submission of critical memoranda to the Secretary. This controversy reveals that the Consumers' Counsel and the Department of Agriculture had different concepts of the relationship and loyalty of the Consumers' Counsel to the Department.

In 1939, a Special Committee on the Consumers' Counsel was appointed by the Secretary to formulate a statement of the functions of this Division. The Committee reported that they were impressed by Mr. Montgomery's persuasive arguments advocating Departmental support of an effective mechanism to protect consumers' interests, but they proceeded, however, to recommend a very narrow interpretation of the function of the Consumers' Counsel, limiting him to phases specifically authorized by financial appropriations.

In the fall of 1938, the Assistant A. A. A. Administrator, Mr. A. D. [illegible], recommended that the Consumers' Counsel Division be transferred to the Office of Information of the Department of Agriculture, since the Division was essentially functioning [illegible] the information and education work. The Consumers' Counsel opposed the transfer of the Division on the ground that the Office of Information, for the fact that informational activities were only one of the major functions of the Consumers' Counsel Division, the activities including the protection of the consumers' interest during the information or the farm program.

The Consumers' Counsel found it exceedingly difficult to function as a coordinate office. He felt that he could not discharge the responsibilities and obligations of his office if he were limited by an order and/or express public disapproval of any decisions or actions of the Secretary. The Division of Information decided, however, that it was not consistent and not permissible for the Consumers' Counsel to publicly criticize the policies of the Secretary. The Consumers' Counsel, according to the viewpoint of the Department, must be limited to participation in [illegible] and consideration of political measures [illegible]. The Secretary stated that the Consumers' Counsel and the Department of Agriculture had different concepts of the relationship and loyalty of the Consumers' Counsel to the Department.

In June, a special Committee on the Consumers' Counsel was appointed by the Secretary to formulate a statement of the functions of this Division. The Committee reported that they were impressed by Mr. Montgomery's [illegible] statement of the functions of an effective consumers' [illegible] to protect consumers' interests, but they proceeded, however, to recommend a very narrow interpretation of the function of the Consumers' Counsel, limiting his to those specifically authorized by financial appropriations.

Secretary Wallace approved the Committee's final report, submitted by Messrs. Eisenhower, Jump, and White. He agreed that the Consumers' Counsel must confine his activities to those essential to the specific A. A. A. program. Realizing that differences of interpretation placed many activities in a shadow zone, he concluded his memorandum to the Consumers' Counsel:

> "I hope that by a process of reason, of conference and consultation, we may keep wholly within the bounds of propriety and of good administration, and at the same time bring to bear adequately on our activities the value of a specialized consumer viewpoint." 11/

Secretary Wallace had been very sympathetic toward the Consumers' Counsel through the years. He probably insisted upon a narrow interpretation of the Counsel's functions, in order to smooth out the difficulties between the Counsel and the Department.

After receiving the Secretary's views, the Consumers' Counsel immediately requested an appointment with the Secretary to talk over with him his problems in his relations with consumer groups. Mr. Montgomery inquired if he should terminate such activities as public addresses, radio broadcasts, and correspondence on general consumer subjects. The Consumers' Counsel was allowed to continue these activities, but warned to adhere to the Committee's recommendations as closely as possible.

The original declaration of objectives for the Consumers' Counsel implied that the Division would participate in the planning of the A. A. A. production control policies. Actually, however, marketing agreements and consumer educational work have been the primary activities. Thus, much of the Division's work was more closely related to the functions of the Surplus

11/ Memorandum from Secretary Wallace to Mr. D. E. Montgomery, Consumers' Counsel, October 21, 1939.

Secretary Wallace approved the Committee's final report, submitted by Messrs. Blackmer, Lamp, and White. He agreed that the Consumers' Counsel could continue his activities in those areas central to the specific [illegible] functions. Realizing that differences of interpretation might arise [illegible] in a [illegible] sort, he concluded his memorandum to the Consumers' Counsel:

> "I hope that by a process of reason, of conference and consultation, we may keep wholly within the bounds of propriety and of good administration, and at the same time [illegible] adequately on our activities the color of a specialized consumer viewpoint." 11\

Secretary Wallace had been very appreciative toward the Consumers' Counsel throughout the years. He probably insisted upon a narrow interpretation of the Counsel's functions, in order to smooth out the difficulties between the Counsel and the Department.

After receiving the Committee's views, the Consumers' Counsel [illegible] [illegible] in accordance with the Committee's [illegible] with one [illegible] problems in his relations with consumer groups. Mr. Montgomery inquired if he should terminate such activities as public addresses, radio broadcasts, and correspondence on general consumer subjects. The Consumers' Counsel was allowed to continue these activities, but warned to adhere to the Committee's recommendations as closely as possible.

The original declaration of objectives for the Consumers' Counsel implied that the Division would participate in the planning of the A. A. A. [illegible] consumer educational work have been the primary activities. Thus, much of the Division's work was more closely related to the functions of the Surplus

11\ Memorandum from Secretary Wallace to Mr. D. E. Montgomery, Consumers' Counsel, October 21, 1939.

Marketing Administration than the Agricultural Adjustment Administration. The Consumers' Counsel was not pleased to be transferred to the Marketing Administration, since he wished to be organized in the Office of the Secretary. He was hopeful, however, that he might be allowed more independence than he had enjoyed in the A. A. A. The A. A. A. continued to finance the Division.

It was on February 1, 1940, that the Consumers' Counsel Division was placed under the direction of the Director of Marketing, Mr. Milo Perkins, by order of Memorandum No. 849 from Secretary Wallace. Director Perkins is reported to have left the Division pretty much alone. In the fall of 1941, Mr. Montgomery pointed out to the Director of Marketing that formal transfer of the Consumers' Counsel Division to the Office of the Director of Marketing had been avoided, because of the question raised concerning the non-civil-service status of many of the Division's personnel. The Ramspeck Act removed this problem, and on November 10, 1941, the administrative control of the Consumers' Counsel Division was transferred to the Director of Marketing from the Agricultural Adjustment Administration by a Memorandum from Under Secretary Appleby. The consumer organization was now officially entitled Consumers' Counsel, Office of Director of Marketing. The Division had five sections under the Consumers' Counsel at this time: the Consumers' Service Section, the Program Operations Section, the Research and Statistical Section, the Consumer Standards Project, and the Administrative Service Section.

Secretary Wickard reorganized the Department of Agriculture to meet wartime demands. In December 1941, Roy F. Hendrickson, who had recently been named Administrator of Agricultural Marketing, stated that the Secretary had combined the Surplus Marketing Administration, the Agricultural Marketing Service, and the Commodity Exchange Administration under the Agricultural Marketing Administration of the Department of Agriculture. On February 28,

[illegible] relationships than the traditional [illegible] administration.

The Consumers' Counsel was thought to be transferred to the Marketing Administration, since it wished to be associated in the marketing. [illegible] was [illegible], however, that [illegible] the attorneys were [illegible] from the [illegible] and other [illegible] U. S. [illegible] Department of Agriculture.

It was on January 5, 1940, that the Consumers' Counsel Division was placed under the direction of the Director of Marketing, Mr. Milo Perkins, by order of Secretary's Memorandum No. 849 from Secretary Wallace. Director Perkins is [illegible] left the Division pretty much alone. In the fall of 1941, Mr. Hendrickson pointed out to the Director of Marketing that formal transfer of the Consumers' Counsel Division to the Office of the Director of Marketing had been avoided, because of the question raised concerning the non-civil-service status of many of the Division's personnel. The Ramspeck Act removed this question, and on November 10, 1941, the administrative control of the Consumers' Counsel Division was transferred to the Director of Marketing from the [illegible] Administration in a [illegible] supplier. The [illegible] was officially notified [illegible] Counsel, Office of Director of Marketing. The Division had five sections under the Consumers' Counsel at this time: the Consumers' Service Section, the [illegible] Operations Section, the Research and Statistical Section, the Consumer Problems Program, and the [illegible] Section.

Secretary Wickard reorganized the Department of Agriculture to meet wartime [illegible]. In December 1941, Ray F. Hendrickson, who had recently been [illegible] Director of Agricultural Marketing, stated that the Secretary had combined the [illegible] Marketing Administration, the Agricultural Marketing Service, [illegible] Commodity Exchange Administration under the Agricultural Marketing [illegible] of the Department of Agriculture. On February 28,

1942, Secretary Wickard issued Memorandum 988, Sup. 1, which placed the Consumers' Counsel Division in the Agricultural Marketing Administration.

In December 1942, Administrator Hendrickson announced a reorganization of the Marketing Administration. He said that the new Food Distribution Administration would have a Civilian Supply Branch and a Civilian Program Branch with a consumer section which would emphasize nutrition. Mr. Hendrickson made no mention of the Consumers' Counsel, and he, along with Miss Taylor and Gordon Hubbell resigned, effective December 31, 1942. Mr. Hendrickson quickly accepted their resignations. Mr. Montgomery stated that he resigned because a consumers' representative had not been included in the new Food Distribution Administration. 12/ He also protested the handling of the war food rationing programs which "tip off trade speculators, pantry hoarders, and pocketbook patriots," and the abandonment of the food stamp plan and certain city milk subsidies, which he felt would work hardships on consumers. Mr. Montgomery declared that his resignation was due to "pressure" from "interests."

Mr. Montgomery advocates stricter governmental control to prevent undue price increases, and claims that the Secretary presented too rosy a food situation for 1943 to the public. He predicts that people will starve if the farm bloc and the food distributors win. He is appealing to labor and farmgroups to join consumer organizations in an effort to make their needs known. As food prices rise and supplies decrease, Mr. Montgomery is hopeful that consumer groups will demand representation in a governmental agency, such as the Office of Price Administration. After his resignation, Mr. Montgomery submitted to the Secretary of Agriculture a program of twelve "battlefronts for food consumers in 1943:

12/ Mr. Montgomery told the Press: "What appears to be planned is that consumers' needs shall be determined for them by an office not admittedly accountable to them. ("Fight Flares over Ration Administration," Washington Post, December 28, 1942.)

[illegible], secretary placed issued Executive Order No. 1, which placed the Consumers' Counsel jurisdiction in the Distribution [illegible] Administration.

In December 1942, Montgomery [illegible] conditions of the [illegible] Administration. He said that the new Food Distribution Administration would have a British Ministry Member and a civilian Director with a consumer section which would emphasize nutrition. Mr. Montgomery made no mention of the Consumers' Counsel, and he, along with Miss Taylor and Joseph Duhell resigned, effective December 31, 1942. Mr. Montgomery publicly announced their resignations. Mr. Montgomery stated that he resigned because a necessary programmatic had not been included in the new food distribution administration. [1] [illegible] the machinery of the food rationing [illegible] with "Mr. [illegible] officers, many [illegible] administrative duplicity," and the immaturity of the food [illegible] and certain civilian [illegible], which he felt would work hardships on consumers. Mr. Montgomery declared that his resignation was due to "pressure" from "interests."

Mr. Montgomery [illegible] control to prevent unwarranted price increases, and claimed that the Consumers Program [illegible] from allocation for 1943 to the public. He predicts that people will starve if the farm bloc and the food distributors win. He is appealing to labor and farm groups to join consumer organizations in an effort to make their needs known. As food prices rise and supplies decrease, Mr. Montgomery is hopeful that consumer groups will demand representation in a governmental agency, such as the Office of Price Administration. After his resignation, Mr. Montgomery submitted to the Secretary of Agriculture a program of twelve "minimums" for food consumers in 1943:

[1] Mr. Montgomery told the Press: "What appears to be planned is that consumers' needs shall be determined for them by an office not admittedly responsible to them. ("Light Flares over Ration Administration," [illegible], [illegible].)

1. Rationing of all foods except cereal products and perishable fruits and vegetables should be started at once, to stop waste and prevent hoarding.

2. To avoid tipping off trade speculators, pantry hoarders, and pocketbook patriots, no rationing plan should be announced in advance.

3. Many millions of families who have not yet hit the war jackpot will need help in buying their share of rationed foods at present high prices, if they are to eat.

4. High wartime costs of producing and processing foods should be subsidized by the Government, as in Britain, and not by forcing consumers to pay higher and higher food prices.

5. If prices of basic foods are not held down by subsidies, they should be put within the reach of low-income families at reduced prices, as in Sweden.

6. To make sure that all handicapped families get their share of essential foods, the Department of Agriculture's Food Stamp Plan and school milk and school lunch programs, now in operation, should be revised and extended to do this wartime job.

7. To make up for other foods that will be hard to get, large supplies of potatoes and whole wheat bread and flour should be provided at low prices, and milk should be specially rationed to children and expectant mothers at prices they can pay, or given free, if necessary.

8. Every possible pound of the 30 billion pounds of skim milk fed to livestock annually should be diverted to use as human food, and no plant or processor should be permitted to skim any milk unless there is a ready outlet for the skim milk as human food.

9. Luxury and high cost types of food should be curtailed or eliminated whenever the supply so saved can be got to consumers in cheaper form.

10. With butter short, margarine should be freed of its legal restrictions so as provide a cheap table and cooking fat for those who can't find butter, or can't afford it.

11. Food waste in wartime is sabotage; it should be prevented and penalized all along the line from the farm to the table, and in hotels and restaurants.

2. Rationing of all foods except cereal products and perishable fruits and vegetables should be started at once, to [illegible] and prevent hoarding.

[illegible]. To avoid tipping off [illegible], family [illegible], and pocketbook patriots, no [illegible] should be announced in advance.

3. Many millions of families who have not yet hit the war [illegible] trying their [illegible] at present high prices, if they are to eat.

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6. To make sure that all handicapped families get their share of essential foods, the department of distribution's food stamp plan and school milk and school lunch programs, now in operation, should be carried and extended to the local wartime law.

7. To make up for other foods that will be hard to get, large supplies of potatoes and whole wheat bread and flour should be provided at low prices, and milk should be specially rationed to children and expectant mothers at prices that can be met, or given free, if necessary.

8. Every possible pound of the 30 billion pounds of skim milk fed to livestock annually should be diverted to use in human food, and no plant or processor should be permitted to skim any milk unless there is a ready outlet for the skim milk as human food.

9. Luxury and high cost types of food should be curtailed or eliminated, thereby releasing the supply so saved for use in cheaper form.

10. With butter short, margarine should be freed of its legal restrictions so as to provide a cheap table and cooking fat. Let [illegible] butter, or can't afford it.

11. Food waste in wartime is sabotage; it should be prevented by rationing all alone the line from farm to the table, and in hotels and restaurants.

12. Food is no longer a luxury or a privilege; it is a munition of war. Every necessary step must be taken by the Government to see that the food we have is distributed according to human needs, and full knowledge of all these steps should be disclosed to American consumers in plain language which everyone can understand." 13/

In reporting Mr. Montgomery's resignation, BREAD AND BUTTER, a Consumers' Union publication, commented:

"It highlights the crisis in the food front and poses a fundamental question which must be answered by the Agriculture Department: is food going to be treated as something people must have to work and fight, or is it to be primarily a source of profits, with the people getting only what they can afford to buy at inflationary prices." 14/

In January 1943, Mr. Montgomery assumed another vigorous role as Consumers' Adviser for the United Automobile Workers of the C. I. O. The U. A. W. recently opened an office in Washington, headed by Mr. Walter Reuther, vice-president, who is assisted by Mr. Montgomery. Mr. Montgomery estimates that he is representing at least two million consumers, who comprise the families of U. A. W. members. Mr. Montgomery sees a tremendous task lying before him.

The Consumers' Counsel Division of the Department of Agriculture has more or less liquidated, since there was no provision made for it in the new Food Distribution Administration which superseded Mr. Hendrickson's Marketing Administration.

Personnel

The successive Consumers' Counsel have all complained that they lacked sufficient personnel to do all the work lying before them. The number of employees in the Division has fluctuated through the years:

13/ "A Setback and a Program," Bread and Butter, 3 (2):1 (January 9, 1943).
14/ Ibid.

12. Food is no longer a luxury or a privilege; it is a condition of war. Every necessary step must be taken by the Government to see that the food we have is distributed equitably to insure health, and full knowledge of all these steps should be disclosed to American consumers in plain language which everyone can understand." 13\

In reporting Mr. Montgomery's resignation, BREAD AND BUTTER, a consumers' union publication, commented:

> "It highlights the crisis in the food front and poses a fundamental question which must be answered by the Agriculture Department: is food going to be treated as something people must have to work and fight, or is it to be primarily a source of profits, with the result that high wage earners are forced to pay inflationary prices." 14\

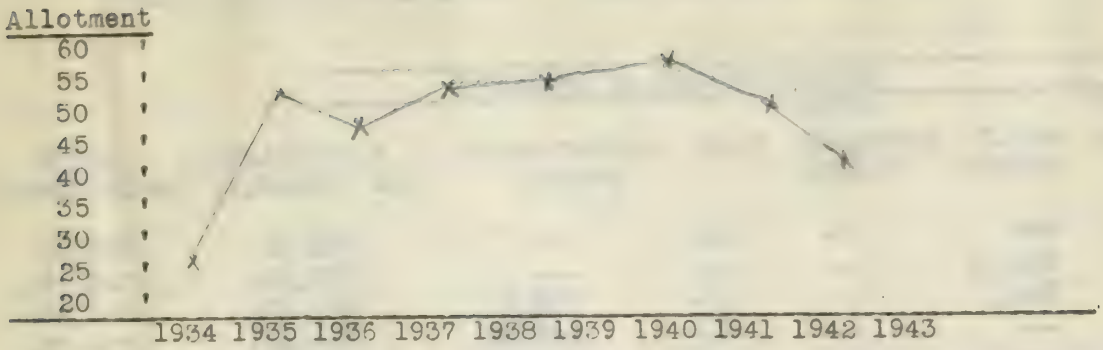
In January 1943, Mr. Montgomery assumed another vigorous role as Consumers' Adviser for the United Automobile Workers of the C. I. O. The C. I. O. recently opened a office in Washington, headed by Mr. Walter Jordan, Vice-President, who is assisted by Mr. Montgomery. Mr. Montgomery explains that he is representing at least two million consumers, who comprise the membership of U. A. W. members. Mr. Montgomery also a consumer case before OPA.

The Consumers' General Division of the Department of Agriculture was more or less liquidated, since there was no condition once it is in the new Food Distribution Administration under Commissioner Mr. Lundquickson's Marketing Administration.

Personnel

The successive Consumers' Counsels were all complaints that they lacked sufficient personnel to do all the work they felt should be done. The number of employees in the Division has fluctuated through the years:

13\ "A Talkback and a Promise," Trend and Control, - (2)12 (January 6, 1943).
14\ Ibid.



The early staff had a majority of economists. The present staff is not significantly smaller, but is composed primarily of writers and experts on radio programs. The few remaining economists regret this shift of emphasis to publicity.

Funds

The Division received approximately $200,000 each year. Throughout its history, the Division received $1,771,851.00. A chart of expenditures by fiscal years and appropriations follows:

Year	Profit
1	30
2	28
3	30
4	35
5	40
6	45
7	50
8	55
9	60
10	60
11	60
12	60
13	60
14	60
15	60

The early start had a majority of advantage. The growth effect is not significantly greater, but is regarded primarily of minors per capita on early returns. The few remaining accounts based the risk of business to profitably.

Number	Income
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15

Income

The living receipt approximately 20,000 each year. Therefore the history, the living received 21,000.00. A state of expenditure by final years and appropriations follows:

EXPENDITURES by the DIVISION OF CONSUMERS' COUNSEL BY FISCAL YEARS AND APPROPRIATIONS -- (supplied by Mr. Jones).

		Breakdown by Appropriations				
Total Expenditures	Salaries & Expenses, AAA	Conservation and use	Sugar	W.P.A. Emergency Relief	N.R.A. Funds	Printing & Binding Funds
60,473	59.895	---	---	---	578	---
201,365	183,757	---	---	---	17,608	---
176,183	172,168	2,577	---	---	1,438	---
175,632	145,666	29,966	---	---	---	---
187,507	35,884	151,623	---	---	---	---
298,020	135,275	39,841	---	122,904	---	---
238,026	69,761	39,872	20,997	99,855	---	7,541
244,645	96,063	39,981	20,997	72,291	---	15,313
190,000	129,000	40,000	21,000			
1,771,851	1,027,469	343,860	62,994	295,050	19,624	22,854

The Consumers' Counsel never dared spend the entire appropriation of the Division, for he could not be sure that he was going to receive any money for the coming year.

Functions

The early objectives of the Consumers' Counsel Division were stated in rather vague, general terms. Originally, Secretary Wallace intended that the Consumers' Counsel examine "each proposed action fromthe consumers' view point", and advise the Administrator. In order to protect the consumer, the Division was also authorized to conduct informational activities. Dr. Howe said that during the first year the main functions were:

"1. Marketing Agreements and Codes
2. Research in connection with such Marketing Agreements
3. Publicity, research and 'Consumers' Guide'
4. Correspondence and work in connection with consumers' problems." 15/

Dr. Howe participated in much early program formulation, but was not consulted on many important policies, such as the "slaughter of the little pigs." The Consumers' Counsel felt that he was caught in a vicious circle;

15/ Frederic C. Howe, Report on the Activities of the Consumers' Counsel of the Agricultural Adjustment Administration, 2 (December 13, 1933).

[illegible] by the [illegible] of Consumers' Council of [illegible]
[illegible] - Expenditures of the Council.

Total expenditures	Salaries & expenses, [illegible]	Conservation and use	Water	Relief	M.R.A. Funds	Printing & Binding Funds
[illegible]	[illegible]	---	---	---	[illegible]	---
[illegible]	[illegible]	---	---	---	17,608	---
[illegible]	[illegible]	[illegible]	---	---	[illegible]	---
[illegible]	[illegible]	29,568	---	---	---	---
[illegible]	[illegible]	151,635	---	---	---	---
[illegible]	[illegible]	39,841	---	122,904	---	---
[illegible]	[illegible]	59,872	20,997	39,855	---	7,541
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The Consumers' Council after [illegible] years of its existence experimentation of the [illegible] it could not be [illegible] to receive any money for the coming year.

Conclusions

The early objectives of the Consumers' Council Division were stated in [illegible] terms, general terms. Originally, Secretary Wallace intended that the Consumers' Council examine "each proposed action from the consumers' viewpoint", and advise the Administrator. In order to protect the consumer, the division was also authorized to conduct informational activities. Dr. Howe said that during the first year the main functions were:

"1. Marketing agreements and orders
2. Research in connection with such Marketing Agreements
3. Publicity, research and 'Consumers' Guide'
4. Informational and work in connection with consumers' organizations." [10]

Dr. Howe participated in such early programs formulation, but was not consulted on many important policies, even at the beginning of the little group. The Consumers' Council felt that it was remote in a vicious circle:

[10] Frederic C. Howe, report on the activities of the Consumers' Council or the Agricultural Adjustment Administration, 2 December 1933.

the A. A. A. Administrator, who had supreme control over his Division, was seeking to increase commodity prices, while the Consumers' Counsel felt that it was his duty to keep prices within the reach of low-income consumers. He compromished by concentrating on an "anti-profiteering" campaign. He was willing that farm prices be raised, if distributive costs were lowered. He felt that this would help both farmers and consumers. Such an objective is rather negative, and did not make a very practical program. The Consumers' Counsel also considered the organization of people around their "consumer interest" to be one of his major functions. He urged women's groups to become consumer conscious and protest proposed A.A.A. programs which would harm them. These women were effective in protesting the inclusion of cattle in the A.A.A. livestock reduction program.

Dr. Howe resigned because he felt that there were conflicting concepts of responsibility. At the time of the consumers' representative's resignation, Gardner Jackson, who serived in the Office, wrote:

> "In essence our position was that the forces of competition should be encouraged and kept open whenever possible in order to hold distributors' and processors' margins within reason and thus protect the consumer." 16/

After Dr. Howe's resignation, it seemed necessary to clarify the functions of the Division, and on April 25, 1935, Chester C. Davis, A. A. A. Administrator, issued a statement for County Consumers' Councils:

> "As I see it, under the Agricultural Adjustment Administration the office of the Consumers' Counsel has a two-fold responsibility.
>
> "It has a responsibility to the Administration here in Washington, and it has a responsibility to the general public as consumers of farm products.
>
> "Its function, so far as the Agricultural Adjustment Administration is concerned, is to represent the interest of the consumer at every stage in the Administration's activities. When a commodity control

16/ Sunday Star (Washington, D. C.), (March 3, 1935).

program, a marketing agreement, or a licensing agreement is under consideration, it is essential that both producers' and consumers' interests be represented by trained economists, highly skilled in research and in the interpretation of economics. In many cases, there is no conflict of interests: the consumer wants the producer to receive the kind of returns for his produce that will insure the continuance of an adequate food supply, and the farmer wants the consumer to be able to buy an adequate volume of farm products. In some cases, where there is some apparent conflict, on particular points, it is the function of the Consumers' Counsel to represent the consumer and assist in finding the point of maximum justice to both producer and consumer.

"Once a program, a marketing agreement, or a license is in effect, it is the function of the Consumers' Counsel to observe its operation, and determine whether or not the results anticipated at the time it was framed are actually being obtained. Should it appear that they are not, the Counsel has a double duty, to urge reconsideration of the program within the AAA to see if the fault needs to be remedied by a change in the provisions of the program, and a duty to give publicity to the facts as they exist." 17/

Administrator Davis later requested Dr. Hoover to outline his conception of the Division's functions. Dr. Hoover felt that he had a two-fold responsibility: to represent the consumer in Administrative policy making, and to inform consumers on A. A. A. programs affecting their interests. Dr. Hoover questioned the advisability of retaining the informational activities, since they were embarrassing the A. A. A. The farmers were regarding the Consumers' Counsel Division with great suspicion. Dr. Hoover thought that an Economic Adviser, without a specific consumer title, might well represent the consumers' interest during policy making. The Consumers' Counsel was willing to resign if Administrator Davis wished to dispense with the Consumers' Counsel Division. The Administrator, however, decided to retain the Division.

In 1937, Mr. Montgomery stated that the Consumers' Counsel had two main functions: assistance in program formulation and publication of consumer information. The latter included a campaign for consumer

17/ Letter from Chester C. Davis, Administrator, A. A. A. to County Consumers' Councils, April 25, 1935.

program, a marketing agreement, or a licensing agreement is under consideration, it is essential that both producers' and consumers' interests be represented by trained economists, fully versed in economics and in the interpretation of economics. In many cases, there is no conflict of interests; the consumer wants the producer to receive the aim of reduced cost which will insure the continuance of an adequate food supply, and the farmer wants the consumer to be able to buy an adequate volume of food commodities. In some cases, where there is some apparent conflict, on particular points, it is the function of the Consumers' Counsel to determine the consumer and assist in finding the point of maximum justice to both producer and consumer.

"Under a program, a marketing agreement, or a license is in effect, it is the function of the Consumers' Counsel to observe the operation, and determine whether or not the results anticipated at the time it was framed are actually being obtained. Should it appear that they are not, the Counsel has a double duty, to urge reconsideration of the program within the AAA to see if the fault needs to be remedied by a change in the provisions of the program, and a duty to give publicity to the facts as they exist." 17\

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standards. On the side, he organized local consumer organizations. The A. A. A. Administrator guided the Counsel's activities toward the broad field of nutrition and away from prices. Administrator Evans pointed out that nutrition is a non-controversial subject of interest to all consumer groups. The Consumers' Counsel did not feel that he was discharging his obligation to low-income consumers merely by telling them about nutrition.

With the advent of war, the goal of the Department became Food for Victory -- maximum supplies for the military demands, and lend lease requirements. The former goal of balancing agriculture within the U.S. domestic economic system was stated chiefly in prices. Now maximum supplies are the dominant note.

Marketing Agreements

The Consumers' Counsel was supposed to represent the consumer in the discussion of proposed marketing agreements. One of his objectives was to keep the spread between producer and consumer prices as low as possible. In his analysis of marketing agreements, the Consumers' Counsel was guided by the following principles:

"1. That all agreements should exhibit some benefits to the farmer.
2. That they should not involve an unjustifiable burden to the consumer.
3. That they should include effective provisions for grading and standardizing products to insure the honesty of weights and measures of the product itself.
4. That they should not involve unnecessary burdens and expense of policing by the Government.
5. That they should not permit abuses of powers to reduce competition.
6. That they should conform to the general declarations of the President." 18/

18/ A Report of Administration of the Agricultural Adjustment Act, May, 1933 to February, 1934, p. 210.

statements. On the other, he summarizes Iowa consumer organizations.

He is a administrative point for consumer's activities behind the usual flak of marketing and news from others. Administrator Chase points out that marketing is a non-commercial subject of interest to all consumer groups. The consumers' Counsel is not that but is one discussing the subjection to low-income consumers living by limited income conditions.

Into the advent of war, the goal of the Department Iowa had formerly -- maximum supplies for the military demands, and land leases terminated. The former goal of balancing agriculture within the U.S. domestic economic system was stated chiefly in prices. Now maximum supplies are the dominant force.

Marketing Agreements

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"1. That all agreements should contain some benefits to the farmer.
2. That they should not involve an unjustifiable burden to the consumer.
3. That they should include effective provisions for preventing economically unsound practices in issuing the necessary marketing and measures of the product itself.
4. That they should not involve unnecessary delays and expense of politics by the Government.
5. That they should not result through of issues to balance conditions.
6. That they should conform to the general legislations of the President." [19]

[19] A speech of Administrator of the Agricultural Adjustment Act, by, Chase to Iowans, 1939, p. 12.

In the early days of the A. A. A., the Consumers' Counsel really had an opportunity to help in policy making. Later, he had less voice in decisions, but was allowed to attach his critical memoranda to the docket submitted to the Secretary. Many memoranda were prepared by the Division. The Secretary read through all the reports in the docket before reaching his decision.

Dr. T. C. Blaisdell, Jr., Assistant Consumers' Counsel, directed the early work on marketing agreements. He used the workings of the Federal Trade Commission as a model.

In 1935, the Consumers' Counsel attended public hearings relating to the question of whether production control for corn, hogs, and potatoes should be undertaken for 1936. In general, however, the Consumers' Counsel gave more thought to curbing distributive costs than to controlling production.

Not always having access to any of the chief officials, Mr. Montgomery was forced to submit memoranda on proposed agreements. The Consumers' Counsel frankly stated his problem to the Director of Marketing:

> "Not having access to the discussions where such matters are under consideration I can only state my views in memoranda, although I know they place an extra burden upon your valuable time. However, it is not possible for me to face the problems which consumers are going to meet in the next year or two without at least having said what I think should be done to alleviate those problems." 19/

This position was very difficult for the Consumers' Counsel, who stood to the public as the bona fide consumers' representative in the

19/ Memorandum from Donald E. Montgomery to Mr. Milo Perkins, Director of Marketing, March 14, 1941.

In the early days of the A. A. A., the Consumers' Counsel really had an opportunity to have its voice heard. Then, he had less voice in decisions, but was allowed to attend all official meetings by the nominal invitation to the secretary. Many memoranda were prepared by the division. The Secretary read through all the reports in his market before signing his decision.

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Not always voting adverse to any of the chief officials, Mr. Montgomery was loyal to Agricultural Conservation Committee.

Consumers' Counsel Donald B. Montgomery to Mr. Milo Perkins, Director of Marketing, March 14, 1941.

formulation of various agreements. It is quite possible that cutting the Division off from administrative decisions was used in lieu of a direct purge of the Consumers' Counsel. Some progress has been made through the years due to the personal influence of various staff members in the formulation of marketing agreements, but little formal progress has been made by the Consumers' Counsel Division as an organization.

During the discussion of every proposed code and marketing agreement, the Consumers' Counsel advocated the incorporation of effective standard grades. He felt that a standard grading system would protect the interest of the consumers, for it would increase their purchasing efficiency. In every code the Consumers' Counsel hoped to enforace any existing Government standards, and also to insist upon a statement of ingredients and a provision against slack packaging. The passage of the Wheeler-Lea Bill in 1938, extanding the authority of the Federal Trade Commission to prevent unfair commercial practices and unfair competitive methods, was lauded by the Consumers' Counsel. He felt, however, that much greater steps remain to be taken for consumer protection.

The Consumers' Counsel urged that can sizes be simplified. A bill to reduce cans to seven standard sizes was introduced into the House of Representatives in 1941, but it was not passed. The Consumers' Counsel was hopeful that due to the war emergency the War Production Board would standardize commodity containers. He also urged that the Office of Price Administration's price controls operate on a Federal grade and labeling basis. Of course, distributors have not been anxious to relinquish private brand labels, which have cost them vast sums of money to publicize.

formation of various agreements. It is quite possible that certain the activities of those anticompetitive institutions are seen to lies of a direct nature of the Consumers' Council. Some practices are also made through the power one in his personal influence of various staff members in the formulation of industrial agreements, the little formal property has been made by the Consumers' Council division as an organization.

During the discussion of every proposed code and marketing agreement, the Consumers' Council advocates the implementation of activities elements stated. He felt that a consumer credit system would produce the interest of the consumers, for it would increase their purchasing efficiency. In every case the Consumers' Council hopes to enforce any existing deficiencies, and also to insist upon a statement of investigations and a practicing agreement also produces. The passing of the Wheeler-Lea Bill in 1938, extending the authority of the Federal Trade Commission to prevent unfair commercial practices and unfair competitive methods, was lauded by the Consumers' Council. He felt, however, that much specific state remain to be taken for consumer protection.

The Consumers' Council urges that the sales be identified. A bill to require such a sales identification also introduced into the House of Representatives in 1941, but it was not passed. The Consumers' Council was regarded that the no the war economy the war economics would emphasize essentially containers. He also urged that the Office of Price Administration's price control agreements on a Federal trade and industrial basis. Of course, difficulties have not been minimal in regulating private enterprise labors, which have sent from such lack of money in industries.

In a sense, the Consumers' Counsel implied that advertising was a partial cause for the wide spread between producer and consumer prices. Bruce Barton charged that Mr. Montgomery was anti-advertising, but the latter replied that the charge was absurd.

The Consumers' Counsel has had a long, up-hill fight in the field of consumer standards. He constantly pleaded for provisions on advertising, labeling, and quality standards. He has been able to stop a few dubious practices.

Milk Agreements

Participation in public hearings on milk agreements has been one of the most prominent activities of the Consumers' Counsel Division. Controversies over milk agreements have been a major issue since the Division's inception. Dr. Howe was very interested in the milk problem. During Dr. Howe's regime, three men were engaged in representing the consumers' interest in the various milk marketing agreements held in Boston, Chicago, St. Louis, Philadelphia, and other cities of the United States.

The public milk hearings were generally held in the ballroom of an expensive city hotel, and were well attended by representatives of the producers and distributors. The Consumers' Counsel sought to encourage local consumers to attend public hearings. He advocated that milk hearings should be held near the homes of the farmers and low-income consumers, for these individuals could not afford to spend the time or money to travel to a distant city. Even when the public hearings were held near the homes of farmers and consumers, however, these people were able to exert little

influence. The Federal consumers' representative had little active backing from the consuming public. The Consumers' Counsel did not accomplish all that he had hoped to do. He and members of his staff participated in milk marketing agreements, and although they seldom influenced the decisions, they at least submitted critical memoranda representing the consumers' viewpoint. As time passed, the Counsel was not always invited to milk agreement conferences, and he had to write his protests practically in a vacuum.

At first, the Government tried to establish a price for the farmers, and another for the retailers, thus controlling the margin. This caused so much controversy that soom the Government merely stated a minimum price that the farmers were to receive, and hoped that competition would keep the distributive costs low, and thereby keep the price down for the consumer. The marketing agreements accomplished very little, however, in the direction of efficient, low-cost distribution.

The average consumer lacks the required technical knowledge of economics and the necessary experience to participate intelligently in a discussion of a milk marketing agreement. The distributors send well-paid representatives to the meetings, who have been well trained in cleverly presenting the distributors' viewpoint. For example, the distributors might offer to "play ball" with the government administrator who wanted the farmers to receive an additional twenty-five cents per hundredweight for milk. The distributors would agree to pay the additional sum to the farmers, but they would then charge the consumers one extra cent per quart. Since there are forty-six and one-half quarts in

a hundredweight, the distributors would make a handsome profit in this transaction. The local consumers probably would not realize what was going on.

The Consumers' Counsel was interested in cutting the cost of distributing milk. The milk distributors fought to have milk sold in stores at the same price as milk delivered by wagons. Theoretically milk should be cheaper in stores, and the Counsel felt that consumers who were willing to go to the stores should receive milk at lower prices. This policy was sharply criticized by the Joint Board of the Milk Drivers' Unions of the New York State Federation of Labor, who charged that it was unfair for the Counsel to point out to consumers the savings effected by purchasing milk at stores. To this charge, Mr. Montgomery replied:

> "One of the chief purposes of Consumers' Guide has been to point out ways in which families who want to do so can economize in making their food purchases. On the other hand it has not been the purpose of this publication, or of the Department, to belittle the many conveniences provided by the services of distribution for those who want them..." 20/

Mr. Montgomery used the following principles as guides in analyzing milk agreements:

> "First, that the program can work toward a more efficient handling of milk; second, that it is a responsibility of the Division to encourage regulation of this character and to discourage regulation which overlooks such a possibility; and third, that it is a responsibility of the Division to encourage fixing prices paid to producers at levels which will maximize returns from milk used in surplus classes and will stimulate greater consumption of fluid milk, and to discourage the establishment of price levels which tend to result in the creation of unnecessary surplus." 21/

It is interesting to note that today, due to the war emergency, many of the reforms in milk distribution which have been urged by the Consumers'

20/ Letter from Donald E. Montgomery to Hon. James M. Mead, August 28, 1941.
21/ Donald Montgomery, Report of the Consumers' Counsel, 1940, p. 6.

Counsel are now being put into effect by the government, without too much protest from distributors. Every-other-day deliveries and fully loaded trucks are examples. Consolidation of milk routes and the use of paper milk containers are being discussed.

Econ Economists also carried on special projects concerned with the milk situation. Mr. Hadsell made daily milk price analyses, and set up the Milk News Notes, composed of excerpts from newspapers on milk. In the spring of 1934, the Consumers' Counsel Division directed a survey of the purchases of whole and evaporated milk in fifty-nine cities. This study analyzed the relationship of price, family income, size of family, and total food expenditures to per capita consumption of milk for 28,275 families. A summary revealed a high correlation between low capita consumption of milk and large, low-income families. A significant milk deficiency was found among low-income consumers. The Consumers' Counsel assisted in setting up relief milk programs in several large cities.

Other Commodities

One of the most successful aids to the consumer was the Consumers' Counsel's effective drive against unwarranted rising bread prices in 1937-1938. Mr. Montgomery carried on a well-planned publicity campaign, which actually caused the bakers to reduce their prices in certain parts of the country. Mr. Montgomery used such striking phrases as "profiteering bakers are taking toll or not less than $50,000,000 through extortionate bread prices." 22/

Sugar is another commodity which was studied by the Consumers' Counsel. In 1940, Mr. Montgomery prepared a memorandum for Secretary Wallace, in

22/ "50 Million Gouge Charge to 'Profiteering' Bakers" Labor, (October 5, 1937).

[illegible] are now being put into effect by the government, without too much protest from distributors. Door-to-door deliveries and fully loaded trucks are examples. Adulteration of milk trucks and the use of poor milk containers are being discussed.

Some journalists also decided on special projects concerned with the milk situation. Mr. [illegible] made daily milk price analyses, the [illegible] milk from cows, composed of excerpts from newspapers on milk. In the spring of 1954, the Consumers' Council Division directed a survey of the purchases of whole and evaporated milk in fifty-nine cities. This study analyzed the relationship of price, fluid income, size of family, and total food expenditures to per capita consumption of milk for the [illegible] families. A survey revealed a link between low milk consumption of milk and large, low-income families. A significant milk deficiency was found among low-income consumers. The Consumers' Council assisted in setting up milk programs in several large cities.

Other Activities

One of the most substantial jobs in the Bureau was the Consumers' Council's effective drive against unnecessary sugar usage in 1947-1952. Mr. [illegible] carried on a well-planned publicity campaign, which actually caused the Bureau to review sugar prices in certain cells of the country. Mr. [illegible] used such striking phrases as "profiteering bakers are filling jail or not less than 100,000 through extortionate bread prices." [illegible]

Meat is another commodity which was studied by the Consumers' Council. In 1949, Mr. [illegible] prepared a memorandum for Secretary Wallace, in

[illegible] "[illegible] Bakers" [illegible], (January 6, 1947).

which he opposed the proposed Cuban sugar quota reduction. He argued that when consumers bought sugar they were contributing a bonus to support the domestic sugar industry, in return for which they should at least be assured of an adequate sugar supply. Lowering the Cuban quota would make the consumers more dependent upon the higher-cost U. S. sugar, and would raise the yearly bonus to the domestic industry. He charged that he could not secure lower prices for consumers, because the domestic sugar industry exerted expert political pressure. The quota was not reduced, perhaps due to the efforts of the Consumers' Counsel.

The Consumers' Counsel also made a study of the cotton situation, especially the effect of the processing tax on cotton. This investigation revealed that the tax was not a justification for the unwarranted price increases. This study removed the consumers' strong argument against the tax. Perhaps it was due to the Counsel's publicity campaign that the price of cotton did not rise sharply.

After making his study of the production of the various commodities, the Consumers' Counsel protested the controls of many industries which adversely affect consumers. Mr. Montgomery was a member of the conference of consumer leaders who met in Washington in 1938, and submitted to the President a proposal that an inquiry of consumer problems and controls of industry be undertaken by Congress. A portion of the proposal states:

> "In our concern for production we have allowed it to exploit consumption and, in the process, to cripple its customers for whom, and for whom alone, it confessedly exists....In a democracy no economic system makes sense which is not run so as to maximize consumption, yet our economic system is primarily run to maximize profits--and the consumer takes the hindmost....A major need at present is to put current business under the microscope to ask:

which he opposes the imposed upon sugar quota reductions. He argues that consumers realize that they are contributing a bonus to support the domestic sugar industry, in return for which they should at least be assured of an adequate sugar supply. Director Dies' quota would make the consumers more dependent upon the foreign-sugar f. o. trust, and would raise the yearly bonus to the domestic industry. He charged that he could not secure lower prices for consumers, because the domestic sugar industry exerted superior political pressure. The quota was not reduced, perhaps due to the efforts of the consumers' counsel.

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"In our concern for prosperity we have allowed it to exploit production and, in the process, to cripple the consumers for whom, after all, it exists alone. It practically relinquished a democracy to economic groups whose sole interest is not how can we to maximize consumption, but how can we to maximize profits. Yet our economic system is primarily run to maximize profits--the consumer takes the windpost.... A major need at present is to put consumer purchasing power into the circulation to aid:

How does it operate and, operating as it does, how and where does it promote or curtail the welfare of our people who live by it and its products....Self-regulation at a round table must include self-regulation by the whole people through government participation. Government can only play an effective role if its policies are based upon an understanding of what is wrong and what needs to be done. The consumer can play an intelligent role at that table only when he knows the facts and how they affect him, and he is powerless to collect these facts himself." 23/

Senator Wagner studied this proposal with interest, and requested Mr. Montgomery to prepare him a confidential report on the proposed inquiry. In March 1938, the Consumers' Counsel sent to Senator Wagner a report entitled "A Brief on the Creation of A National Commission of Inquiry on Industrial Controls (To examine the facts, circumstances, and conditions, competitive or otherwise, of the control of industrial processes, with particular reference to the causes of underproduction, underconsumption and unemployment)."

Secretary Wallace appointed the Consumers' Counsel a member of the advisory group of the Agriculture Department to assist the Temporary National Economic Committee. One of the most prominent activities of Mr. Montgomery was his preparation of consumer testimony for the hearings before the T. N. E. C. of the Seventy-Sixth Congress, which was investigating the concentration of economic power. The Consumers' Counsel protested misrepresentation of goods and the price and quantity controls of industry which restrict consumer choices.

Among the witnesses secured by Mr. Montgomery to testify before the hearing on May 10, 11, and 12, 1939, were Mrs. Alice Belester of Chicago, Mrs. Paul Roller of the College Park, Maryland, A.A.U.W, Dr. Ruth Ayres

23/ Opening Statement by D. E. Montgomery, Consumers' Counsel, Agricultural Adjustment Administration before the T.N.E.C., May 1939.

[illegible] in reality, [illegible] is [illegible], [illegible] and [illegible] [illegible] the welfare of our people who live by it or [illegible] the [illegible]. Self-regulation at a round table [illegible] self-regulation by the whole people through government [illegible]. Government can only play an effective role if [illegible] are [illegible] upon as [illegible] of [illegible] [illegible] made to be done. The consumer can play an [illegible] role at that table only when he knows the facts and [illegible] they affect him, and he is [illegible] to [illegible] these facts himself." [29]

[illegible] Senator Wagner [illegible] his interest with [illegible], and requested Mr. Lubchansky to prepare the a memorandum report on the proposed inquiry. In March 1938, the Consumers' Counsel sent to Senator Wagner a report entitled "A brief on the desirability of a national investigation of inquiry on industrial concerns (in examining the rates, environment, and conditions, capability or otherwise, of the control of industrial processes, with particular reference to the causes of unemployment, underconsumption and unemployment)."

Secretary Wallace appointed the Consumers' Counsel a member of the advisory board of the agricultural department in which the Secretary National Economic Committee. One of the most prominent activities of Mr. Lubchansky was his presentation of consumer testimony for the hearings before the [illegible] of the Assembly-Grile Congress, which was investigating the concentration of economic power. The Consumers' Counsel presented statistical information of costs and the price and profitable activity of industry using material consumer goods.

Among the witnesses invited by Mr. Lubchansky to testify before the hearings on May 14, 15, and 16, 1938, were Mrs. Lillie Calhoun of Chicago, Ill., head worker of the Hull House Center, Chicago, Ill., who spoke upon

[29] Opening statement by M. C. Lubchansky, Consumers' Counsel, Investigational Department, Radio Station before the T.N.E.C., May 1938.

of the Consumers National Federation, and Miss Persia Campbell, who are all leaders in consumer work. Other witnesses were Mr. Dexter Masters of Consumers' Union, Mr. Maddux, the purchasing agent of Hamilton County, Ohio, Mr. Joseph Ephraim of New York who described the difficulty of a small manufacturer, and the Consumers' Counsel who described the problems of consumers. A great deal of research was carried on by the Division in preparation of Mr. Montgomery's testimony.

Informational Activities

Throughout the history of the Consumers' Counsel Division, educational activities for consumers have been promoted. This function received renewed emphasis, however, when Mr. Montgomery became Consumers' Counsel. He felt that informational activities would help protect the consumers. It also gave him an opportunity to contact consumers, whose support would strengthen his position in the Department.

Mr. Montgomery has helped organize consumer courses in high schools and colleges. The Consumers' Service Section has very good files listing persons and organizations connected with consumer education. A quick survey made by the Division revealed that there are over 1,000 consumer courses. The Consumers' Counsel has also furnished study programs for the American Association of University Women, the American Federation of Labor, the American Home Economics Association, the Congress of Industrial Organization, the Cooperative League of the U.S.A., and the General Federation of Women's Clubs.

Consumer courses are dependent upon adequate consumer literature. There is much more material available today than in 1933. The Consumer Library of the Consumers' Counsel Division has two hundred reference books and 20,000 bulletins, clippings, and pamphlets related to consumer subjects.

of the Consumers National Committee, and Clay Herrick Greenwell, who was all
leaders in consumer work. Other eminent men in consumer
consumers' union, in leaders, the commissioner of health of New York,
Dr. Isaac Coleman of New York who described the difficulty of
factories, and the Consumers' Council who described the problems of consumers.
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Informed consumers are dependent upon adequate consumer literature. There
is much more material available today than in 1933. The Consumer Library of
the Consumers' Counsel Division has the largest reference room, of 30,000
bulletins, circulars, and magazines related to consumer matters.

The Consumers' Counsel tells consumers in non-technical language about Government programs which affect consumers. He has written numerous articles and delivered many speeches before various organizations. In July, 1940, he spoke with Thurman Arnold in a joint broadcast on "What the Sherman Antitrust Law Means to the Consumer." He has participated in the weekly consumer broadcasts. The Consumers' Counsel Division has also sent representatives to numerous meetings and conferences.

Consumer Broadcast

One of the earliest informational activities of the Consumers' Counsel Division was the consumer broadcast. Immediately after the Division's creation, the Consumers' Counsel suggested to the A. A.A. Administrator that the Farm and Home Hour and a radio set-up with the General Federation of Women's Clubs be utilized. In 1933, the popular interest in consumer advice radio programs was high; people always seem to watch prices and quality when times and money are stringent.

The Consumers' Counsel Division has cooperated with the General Federation of Women's Clubs (2,000,000 members), in producing a 15-minute weekly program, known as "Consumer Time on the Air." The National Broadcasting Company donates this time to be used to bring useful information to consumers. The program is available to all Red Network stations, and is carried by about fifty stations, representing all the geographic sections. The Bureau of Agricultural Economics' market reports were used as the basis for the Counsel's broadcasts. Other agencies have cooperated in supplying material. Specific buying information, changes in the consumer market, and accomplishments of consumer groups have been the chief subjects of the broadcasts.

The program has an active, interested audience. For example, when the school lunch program of the Surplus Marketing Administration was discussed

The Commissioner's Speakers Bureau is one-thousand lectures and appearances reaches every direct consumers. He has written numerous articles and delivered many speeches before various organizations. In July, 1947, he spoke with Thurman Arnold in a joint broadcast on "What the Sherman Antitrust Law Means to the Consumer." He has participated in the weekly consumer roundtable. The Commissioner's Bureau also has conducted activities in consumer meetings and conferences.

Consumer Complaints

One of the major informational activities of the Consumers' Counsel Division was the consumer complaint. Immediately after the division's creation, the Consumers' Counsel suggested to the A. A. A. Administrator that the form not just only write complaints to consumer Commission of Consumer's Guide be utilized. In 1947, the complaint information to consumer service radio programs was high; people always seem to watch prices and quality when times and money are stringent.

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The program has an active, interested audience. For example, when the Consumer Counsel of the Bureau Service Administration was discussed

in 1940, over 150 inquiries were received immediately from persons anxious to start such a program in their city.

One particular broadcast which three oil on troubled waters and aroused considerable comment was the oleomargarine broadcast of July 5, 1941. The Consumers' Counsel stated over the radio: "Fortified oleomargarine has the same nutritional value as butter. Margarine is cheaper than butter.... The demands of the butter interests when applied to those who cannot afford butter present this alternative: 'Either you eat dry bread or use lard.'" The dairymen charged that the Consumers' Counsel was urging the low-income consumers to buy fortified margarine instead of butter, for he said that they could get the same food value at lower cost. Congressmen from dairy states sent letters of criticism to Mr. Montgomery. He replied to them that the Consumers' Counsel Division only sought to present accurate facts for the consumers, and did not seek to persuade the consumers to purchase any particular products.

Representative August H. Andresen, on July 25, on the floor of the House attacked the motives of the Department of Agriculture in giving the oleomargarine broadcast. The Secretary of Agriculture received scores of criticisms from people engaged in the dairy industry. Secretary Wickard wrote to the Director of Information to reaffirm the Department's informational policy. This policy is to give to consumers useful factual information concerning farm products, but not to promote or oppose the sale of any particular commodity.

The Consumers' Counsel declared that he had not deviated from this standard policy in issuing information about butter and oleomargarine, but the Department warned him to make doubly sure in the future that he was adhering to the traditional procedure.

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fundamental policy in giving information about butter and oleomargarine, and
the Department [illegible] to make doubly sure in the future that [illegible]
deviation in the [illegible] procedure.

The Consumers' Counsel's stand on the oleomargarine question was admired by those who were vitally interested in the development of the consumer movement. Of course, the producers of oleomargarine were favorably impressed by the broadcast and subsequent publicity. The Consumers' Counsel has continued his stand on oleomargarine for low-income consumers. In an effort to meet war food needs, he recommended that the Federal and State taxes on oleomargarine be suspended for the duration, since the price of butter was rising beyond the reach of low-income consumers.

The Consumers' Guide

The Consumers' Guide is probably the best known and most widely circulated Government publication in the consumer field. This publication is prepared by the Consumers' Service Section of the Consumers' Counsel Division, and printed by the Government Printing Office. It is issued semimonthly from October through May, and monthly from June through September. An official free distribution list of 135,000 names has been authorized by the Bureau of the Budget, whose permission is required by Rule 42 of the Joint Committee on Printing. In addition, several thousand names are on the paid subscription list. The annual fee is fifty cents.

The Guide was conceived by Miss Mary Taylor, its Editor for over nine years, and the Consumers' Counsel, and was approved by Administrator Peek. Miss Taylor reported that there was no precedent for the establishment of the Guide.

The first issue appeared on September 14, 1933, and 6,500 copies were distributed to Governors, Mayors, Members of Congress, newspaper editors, extension workers, officers of farm organizations, and officers of women's clubs. The publication received favorable newspaper publicity. After the appearance of the first issue, the Office of the Consumers' Counsel received

The consumers' council's stand on the six-majority question was guided by these two principles: integrated in the development of the consumer movement. Of course, the relevance of pronouncements were directly impressed by the immediate and consequent publicity. The consumers' council has continued its stand on elsewhere for Jamaican purposes. On an effort to see our food needs, the recommendation that the federal and state taxes on oleomargarine be suspended for the duration, since the price of butter was rising beyond the reach of low-income consumers.

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over 1,000 requests from public officials, universities, and consumer, farm and trade organizations. Officers of these groups have, in many cases, turned the bulletin over to members of their organizations.

The Consumers' Counsel Division realized the value of an informed consumer opinion throughout the country, and sought to arouse consumers and give them information on consumer problems. Through the dissemination of general and specific information in the Guide, the Division has aimed to expedite the protection of the consumers' interests. This protection has been urged by several Congressional acts. A letter sent with the first issue said:

> "Consumers are being asked to pay higher prices for food. They want to know how much of these price increases is fair, and who is getting the benefit of them. The Consumers' Guide is designed to answer these questions. It gives facts on retail prices in 51 cities for 16 representative foods. It shows differences from city to city, the cities that have increased their prices more than average, and are charging a higher total price than customary."

Data on changes in farm prices in relation to changes in retail costs of food formed the basic material for the Consumers' Guide. The major food commodities whose retail prices are listed include: bread, butter, cheese, eggs, flour, hen, lard, leg of lamb, milk, pork chops, potatoes, prunes, rice, and round steak. In gathering this information the Guide received the cooperation of the Bureau of Home Economics and the Bureau of Agricultural Economics of the Department of Agriculture, and the Bureau of Labor Statistics of the Department of Labor. The Guide's popular style has undoubtedly contributed largely to the publication's effectiveness. The Editor has had the extraordinary talent of taking a mass of statistics and making them into a warm, readable, non-academic article, which appeals to all consumers.

At first the Guide was an apologist for the Agricultural Adjustment Administration, but it soon became devoted solely to the consumers' interests.

The first issues discussed prices, and in these discussions the articles naturally tended to mention quality. Weights and standards were discussed, and within a few months the magazine contained articles on almost any subject which would be of interest to the consumer. By 1934, the Consumers' Guide was scrutinized by the Office of Information of the A. A. A., who occasionally modified the publication's bigorous tone against distributive groups.

A formal declaration of policy of the Consumers' Guide appeared in the July 9, 1934, issue:

OUR POINT OF VIEW

"THE CONSUMERS' GUIDE believes that consumption is the end and purposes of production.

"To that end the CONSUMERS' GUIDE emphasizes the consumer's right to full and correct information on prices, quality of commodities, and on costs and efficiency of distribution. It aims to aid consumers in making wise and economical purchases by reporting changes in prices and costs of food and farm commodities. It relates these changes to developments in the agricultural and general programs of national recovery. It reports on cooperative efforts which are being made by individuals and groups of consumers to obtain the greatest possible value for their expenditures.

"The producer of raw materials -- the farmer -- is dependent upon the consuming power of the people. Likewise the consumer depends upon the sustained producing power of agriculture. The common interests of consumers and of agriculture far outweigh diversity of interests.

"While the CONSUMERS' GUIDE makes public official data of the Departments of Agriculture, Labor, and Commerce, the point of view expressed in its pages does not necessarily reflect official policy but is a presentation of governmental and non-governmental measures looking toward the advancement of consumers' interests."

In 1934, the Consumers' Guide was authorized a limit of $75,000 for publication, and a maximum circulation of 100,000. It was also in this year that the Guide received an award from the Social Work Publicity Council for its outstanding contribution to the field of social work interpretation.

to that broad discussion rather, and in these discussions the editorial
strongly leaning to conservative policy. Neither was standard-setting
and within a few months the magazine produced articles on dietary
habits which could be of interest to the consumer. By 1934, the Consumers'
Guide was appreciated by the critics of information of the U. S. D. A.,
gradually modified the publication's bitterness toward distributive
trades.

A typical consideration of policy of the Consumers' Guide appeared in the
July 4, 1934, issue:

"WHY CONSUMERS' GUIDE

"THE CONSUMERS' GUIDE believes that consumption is the end
and purpose of production.

"To keep the Consumers' Guide emphasizes the consumer's
right to full and correct information on prices, quality of
commodities, and on costs and efficiency of distribution. It
will be his concern to point also the economical purchasing
according to price or quality, or both, and economical purchasing
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tion. It will be his concern to encourage development in this direc-
national and general increase of national prosperity. It therefore
of conservative prices, which are taken care by technicians and
groups of consumers in which the consumer can rely with for
their experiments.

"The producer of raw materials -- the farmer -- is dependent
upon the consuming power of the people. Likewise the consumer
depends upon the sustained producing power of agriculture. The
common interests of consumers and of agriculture far outweigh
identity of interests.

"Thus the CONSUMERS' GUIDE makes public official data of
the departments of Agriculture, Labor, and Commerce, the point
of view expressed in the issues does not necessarily reflect
official policy but is a presentation of governmental and non-
governmental research on Labor towards the enlightenment of consumers'
interests."

In 1934, the Consumers' Guide was authorized a limit of $75,000 for
publication, and a maximum circulation of 100,000. It was also in this
year that the Guide received an award from the Social Work Publicity Council
for its assessment contribution as the trail of "social work interpretation."

The publication was briefly interrupted during January and February, 1936, after the U. S. Supreme Court decision of January 6, 1936, which ended the A. A. A. production control programs for certain basic agricultural crops. In the spring of 1937, the Bureau of the Budget approved a request to increase the circulation to 135,000, but the appropriation was not increased.

In the fall of 1938, Mr. Alfred D. Stedman, Assistant A. A. A. Administrator, wrote the Director of Information that he was in agreement with him that Consumers' Guide material should be edited and cleared through the latter's office, since the publication consisted chiefly of material outside the scope of the Agricultural Adjustment Administration. He, therefore, requested that in the future the articles for the Consumers' Guide be referred to the Office of Information for clearing, except those articles specifically related to the work of the A. A. A.

The Consumers' Counsel did not agree that any material in the Guide did not specifically relate to the Agricultural Adjustment Administration program, even though he attempted to serve all phases of the activities of the Department of Agriculture. He contended that every article in the Consumers' Guide has contributed to the A. A. A. program in a very real sense, for it has educated consumers to understand the relationship between their problems and the problems of American agriculture. In a statement before the Temporary National Economic Committee, Mr. Montgomery declared:

> "The Consumers' Guide is limited to subject matter directly related to authorized activities of the Department of Agriculture though this may mean, and frequently does, that the story in which the consumer reader is interested must be cut in two and the other part left unwritten because it is derived from the work of some other agency, a fact which probably does not interest the consumer reader." 24/

24/ D. E. Montgomery, CONSUMERS T.N.E.C., 33 (December 7, 1940).

[illegible]

[illegible] of January 6, 1936, which ended the [illegible] for certain basic agricultural [illegible]. In the spring of 1937, the Bureau of the Budget approved a request to increase the appropriation to $[illegible],000, but the appropriation was not increased.

In [illegible] of 1938, Mr. Alfred [illegible], [illegible] A. A. [illegible] director, wrote the director of [illegible] that he was in agreement with his [illegible] that Consumers' Guide material should be edited and cleared through the director's office, since the publication consisted chiefly of material outside the scope of the Agricultural Adjustment Administration. He, therefore, recommended that in the future the articles for the Consumers' Guide be referred to the Office of Information for clearance, except that [illegible] dealing relative to the work of the A. A. A.

The Consumers' Guide did not [illegible] in the United [illegible] that regarding [illegible] the agricultural information-administration program, [illegible] attempted to serve all phases of the activities of the [illegible] of [illegible]. It contained [illegible] in the Consumers' Guide was [illegible] to the A. A. A. [illegible] a very real [illegible]. For it has [illegible] to [illegible] the relationship between [illegible] and the problems of [illegible]. In a statement before the [illegible] National [illegible], Mr. [illegible] said:

> "The Consumers' Guide is limited to subject matter directly related to authorized activities of the Department of Agriculture [illegible] this may mean, and frequently does, that the story in which the consumer reader is interested must be cut in two and [illegible] some other [illegible], a fact which probably does not interest the consumer reader." [34]

[34] U. S. [illegible], [illegible], [illegible], 1940).

There was a general housecleaning before the 1940 presidential election, in order that all groups might be able to justify their activities. The Secretary appointed Mr. M. S. Eisenhower, who was popular with everyone in the Department, to survey the activities of the various agencies. Mr. Eisenhower was also a member of the committee appointed by Secretary Wallace to formulate a basic charter for the Consumers' Counsel Division. The committee recommended that the Guide consist of articles related to the acts from which it received appropriations. At this time, some of the articles in the Guide did not relate specifically to subjects authorized by appropriation.

The Office of Information ruled that the Consumers' Guide could only contain articles about the functions of the organizations for which its funds were appropriated. The Consumers' Counsel protested that such an order would make the Guide lose its consumer character, and become an agricultural bulletin. As a result, publication was suspended from November 15, 1939 to February 15, 1940, while this issue was under discussion. When the magazine was limited in its scope, the consuming public did not even know about the situation and so could not effectively protest. Finally, it was decided that the editor could publish any article of consumer interest on a subject covered by the Department of Agriculture, if the magazine received an appropriation from the printing and binding fund of the Department's Central Printing Office. This arrangement was effected. It was agreed, however, that the Guide should carry in each issue one major article directly related to the farm programs whose appropriations support the publication.

There was a general consciousness during the late nineteenth
century, in which Ivan did never cease to be, of the unity of
activities. The Lenkovsky concluded by M. I. Glinkovsky, and the author
with experts in the meantime, a review the activities of the Kolkhoz
Kremlin. Mr. Glinkovsky was also a member of the committee appointed by
Premier Dallaire to formulate a basic outline for the economic development
of Russia. The committee recommended that the State adopt a policy of
related to the sale free water in Russian communities. It will take
some of the articles in the State did not refer specifically to matters
concerned by our directive.

The office of information which for the Government State could
only contain articles about the functions of the organization for which
it took more appropriate. The Government Journal published a by each
of the ministries with the State line its various departments, and thereby
attributed articles. As a result, multiplication was avoided from
October 17, 1917 to February 11, 1918, which this issue on other
interesting. When the property was limited in the Kolkhoz, the consulting
audio in the area have about the authority and it could not effectively
transact. Finally, it was decided that the entire work relating to artists
of economic interest as a subject matter of the Ministry. Legislation,
of the Kolkhoz the 1917 to determination from the ministry and transfer
and of the Government's control. Political office. This arrangement was
effective. It was stated, however, that the State should keep in mind
some the total artists importing related to the Ivan language which were-
tialism according the relationship.

The Director of Information warned the Consumers' Counsel at this time:

> "...it should be said that on some occasions the Department has already stretched its basic authority to the breaking point in issuing a given publication, and any further stretching could not be approved. The buying guide to hosiery is a good example." (The Guide published information on the wise selection of all types of hosiery, whereas the appropriation act declared that these funds were to promote the purchase of cotton hosiery as a substitute for silk)..."We have therefore stretched our authority to the breaking point. Possibly an outright error in judgment has been made. The Office of Information cannot approve going beyond what has already been done." 25/

Typical articles in 1940 included: "Another Battle against Waste and Want" (A. A. A. wheat program), "Building Shelter Larders for Wildlife, " "From Grass to Cattle" (A. A. A. range program), "Look to the Soil," and "The Nation's Extra Wheat Bin." Consumers also received buying information on such foods as apples, ice cream, lard, margarine, meat, milk, and sugar.

Just before the Consumers' Counsel Division was placed under the Director of Marketing, A. A. A. Administrator Evans suggested to the Consumers' Counsel that the scope of the Guide be enlarged from data on prices to the broader field of nutrition, which he felt would be of interest to all consumers. The Administrator considered that the Guide was a very worthwhile publication.

In November, 1941, the Guide's masthead was revised to Consumers' Counsel, Office of Director of Marketing.

Wartime status for the Consumers' Guide was urged in December, 1941, by the Consumers' Counsel. He suggested to the Director of Marketing that the publication be allowed to receive and print articles from Federal agencies including the Bituminous Coal Division, the Bureau of

25/ Memorandum from M. S. Eisenhower, Director of Information, to Mr. D. E. Montgomery, Consumers' Counsel, A.A.A., January 3, 1940.

The Director of Information named the Consumers' Guide as this

time:

"...It should be said that on some occasions the Consumers' Guide has already attracted the "hale authority" to the breaking down in issuing a given publication, and by further expressing really not to approval. The Guide, guide to hosiery is a good example." (The Guide published its conclusion on the wise selection of all types of hosiery, stressed the appropriateness and indicated that there were ways to provide the purchase of cotton hosiery on a priority for size)..."We have received protests and criticism on the Consumer Guide. Possibly no criticism which is forthcoming has been made. The fields of information which we have covered have already been done." 23\

Typical articles in the Guide included: "Canning- with Sugar and Without" (U. S. A. wheat program), "Building Shelter Larders for Stability," "From Grass to Cattle" (A. A. A. range program), "Look to the Soil," and "The Nation's Extra Wheat Bin." Consumers also received buying information on such items as soaps, ice cream, lard, margarine, meat, milk, and butter.

Just before the Consumers' Counsel left the Department under the Director of Information, i. e. in administrative terms, responsible to the Consumers' Counsel that the scope of the Guide be enlarged from data on prices to the Director field of nutrition, which is fact would be of interest to all consumers. The Administrator considered that the Guide was a very worthwhile publication.

In October, 1941, the Guide's masthead was revised to Consumers' Counsel, Office of Director of Marketing.

Another blank for the Consumers' Guide was urged in December, 1941, by the Consumers' Counsel. In November of the Director of Marketing was permission be allowed to release and print articles from several memoranda concerning the Information Division, the Bureau of

23\ Memorandum from R. C. Hildebrand, Director of Information, to Mr. D. E. Montgomery, Consumers' Counsel, ..., January 2, 1940.

Labor Statistics, the Federal Trade Commission, the Food and Drug Administration, the Office of Civilian Defense, the Oil and Solid Fuel Coordinators in the Department of the Interior, the Office of Price Administration, the Office of Production Management, and the Public Health.

Since the United States' declaration of war, the Consumers' Guide has been devoted to articles directly connected with some phase of the war effort. Topics include the Food for Freedom Campaign, methods of conservation of essential materials, and how families can best adjust themselves to war needs.

In 1942, the Guide received a request from Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Committee, for an edition on "Food and National Defense." This request was granted, for nutrition is a subject covered by the Department of Agriculture. The edition was done so well that later Miss Elliott requested a "Salvage" bulletin. This subject does not fall specifically within the scope of the Department of Agriculture, but the Guide carried out the request. A special issue on "Housing and National Defense" was also done. Altogether there were five special issues devoted to subjects related specifically to the war effort, between 1940 and 1942.

Today the policy of the Guide is under the supreme control of the Office of War Information. The Department of Agriculture now allows the publication greater latitude in its articles, for, in the final analysis, the Guide is responsible to a war agency. Since November 1942, the Guide has contained a Consumer News Letter, a war supplement briefly summarizing war orders and activities directly affecting consumers. This News Letter is financed by the O. W. I., and was authorized by the Bureau of the Budget.

The magazine now covers a wide range of topics, but each article, as in the past, is rigidly scrutinized before it is printed. On each piece of copy

labor shortage, the issues "Home Economics", the "Home and Community", the Series of Special Letters, the Oil and Milk Producer Conferences in the Department of the Air Force, the Series of Twice Monthly Conferences, the Series of Producers Bulletins, and the Public Health Guide.

Since the United States' participation of war, the Consumers' Guide has been devoted to articles directly concerned with some phase of the war effort. Topics include the need for increased production, methods of preserving essential materials, and how families can best adjust themselves to war needs.

In 1942, the Guide received a request from Miss Harriet Elliott, Consumer Consultant of the National Defense Advisory Committee, for an edition on "Food and National Defense." This request was granted, for nutrition is a subject covered by the Department of Agriculture. The edition was done so well that later Miss Elliott requested a "Salvage" bulletin. This subject does not fall specifically within the scope of the Department of Agriculture, but the Guide carried out the request. A special issue on "Housing and National Defense" was also done. Altogether there were five special issues devoted to subjects related directly to the war effort, between July and 1942.

Under the policy of the Guide is under the supervision directly of the Office of Information. The Department of Agriculture now allows the publication of the Guide in its entirety, for, in the final analysis, the Guide is responsible to a war agency. Since November 1942, the Guide has contained a Consumer Does Letter, a set type-written article concerned with prices and available directly effecting consumers. The Does Letter is released by the O. P. A., and is contributed by the bureau of the Budget.

The Guide has always a wide range of topics, yet each article, as it is written, is really straightforward. [illegible] piece of copy

there must be the initials of the head information officer of the bureau or bureaus which contributed the subject matter for the copy. About one-third of the editor's work is getting the articles approved. For example, in the January 1943, issue, the editor, after studying the total food picture, wished to state, "There will be less food in '43," but the O. W. I. refused to approve this statement, for they pointed to the large wheat production. The sentence which appeared in the Guide stated, "There will be less of some foods in '43."

In January 1943, the Guide's able Editor, Miss Taylor, resigned. Miss Ann Carter has assisted in the January issue.

Thus we see that the Guide has gone through a very interesting cycle: in the beginning it was confined to a few subjects, and then it gradually expanded to include any topic of consumer interest. In 1940, it was curtailed to subjects specifically falling under the appropriation acts of the Consumers' Counsel Division, and now in the present wartime period it is expanding again in scope. The chief subject matter has also changed. In the early days the Guide consisted chiefly of information on prices, now it discusses general nutrition. The magazine has changed in size. At one time it was a twenty-page bulletin; now it has sixteen larger pages.

The Guide has been an outstanding publication in the consumer field, and has established an enviable reputation through the years. The material is accurate, written in clear, readable style, and meets a real consumer need. Some of the best articles have been: "Are Food Prices Too High -- or Are Supplies of Manufacturing Goods Too Small?" "Can Consumers Make Sure of Adequate Food Supplies with Fair Prices to Farmers?", "Help Yourself to Honest Measures," "Market News for Housewives," "Take Lightning Changes out of Prices," and "When Consumers Get Together."

[illegible] the initiative of the Home Economics Section of the Bureau of Agriculture which coordinated the utility matter for the page. Along one-third of the editor's work is getting the articles covered. For example, in the January issue, there, the editor, after studying the Great Lakes Exposition, "There will be less land in '40," and the U. S. Welfare Department that interest, she then pointed to the large wheat production. The article which appeared in the Guide stated, "There will be less of some crops in '40."

In January 1940, the Guide made editor, Ian Sclater, president.

Ian Sclater has assisted in the January issue.

Thus we see that the Guide has gone through a very interesting cycle: in the beginning it was confined to a few subjects, and then it gradually extended to include any topic of consumer interest. In 1940, it was curtailed to subjects specifically related under the supervision of the Bureau of Home Economics, Agriculture, and, in the opinion of the writer, this period is disappointing. The other subject matter was also changed. In the early days the Guide contained articles of information on prices, and it discussed general articles. In recent years the change is also. In one year it had twenty-four pages; now it has sixteen larger pages.

The Guide has been an outstanding publication in the consumer field. Not the material is available everything through the Guide. The Guide is attractive, written in clear, readable style, and meets a real consumer need. Some of the best articles have been: "Are Food Prices Too High -- or Are Supplies of Farm-Produce Goods Too Small?" "Can Consumers Make Sure of Adequate Food Supplies with Fair Prices to Farmers?", "Help Yourself to Great Pleasure," "Learn Your Assembly," "The Artificial Sweetener of Wide," and "Buy Consumers Get Together."

Many subscribers of the Consumers' Guide have written expressing their appreciation for the services rendered by the publication. The American Association of University Women has repeatly stated that it found the Consumers' Guide very valuable in keeping members informed of consumer development. The International Union, United Automobile, Agricultural Implement Workers of America received help from the Guide in developing its consumer program. Roger Babson wrote in 1937 that "'The Consumers' Guide' is about the best thing, I think, that the Government has done for the consumer in its history." 26/ Other enthusiastic recipients include: Agricultural Extension workers, the American Home Economics Association, County Consumer Councils, the Farm Bureau and other farm organizations, the General Federation of Women's Clubs, the National Grange, the National League of Women Voters, social service workers, and teachers and students in high schools and colleges.

A breakdown of the occupations of Guide subscribers reveals:

	Percentages
Housewives	19
White Collar Workers	18
Teachers	16
Students	7
Professional Workers	7
Industrial Workers	4
Extension Workers	3
Farmers	3
Club and Government Workers	2
Occupations Unknown	21
	100

26/ Frederic C. Howe, Report on the Activities of the Consumers' Counsel of the Agricultural Adjustment Administration, 7.

A study of the distribution by geographic divisions shows:

	1942	1937
NORTHEAST		
Total	39,429	16,975
Percentage	29.2	27.4
NORTH CENTRAL		
Total	42,776	21,925
Percentage	31.7	35.4
SOUTHERN		
Total	14,501	4,175
Percentage	10.8	6.7
EAST CENTRAL		
Total	13,265	4,825
Percentage	9.8	7.8
WESTERN		
Total	23,987	13,600
Percentage	17.8	22.0
U.S. Possessions & Foreign		
Total	998	425
Percentage	.7	.7
GRAND TOTAL	134,956[x]	61,925
Percentage	100	100

[x]Official, free 130,442
Paid mailing list 4,514

A Circulation and Cost Analysis prepared by the Consumers' Counsel Division illustrates the growth of the Consumers' Guide:

FISCAL YEAR	ISSUES	COPIES	AVERAGE COPIES PER ISSUE	TOTAL COST	AVERAGE COST PER ISSUE	AVERAGE COST PER THOUSAND COPIES
1935	16	981,200	61,325	$36,852.29	$2,303.27	$37.56
1936	20	1,363,700	68,185	54,045.34	2,702.27	39.63
1937	23	2,197,000	95,522	59,251.98	2,576.17	26.97
1938	23	2,562,000	111,391	59,890.10	2,603.92	23.38
1939	20	2,577,000	128,850	57,100.15	2,855.01	22.16
.) 1940	20	2,697,000	134,850	44,740.00	2,237.00	16.60

Many letters have requested that the Guide be distributed in larger quantities. In March, 1940, Secretary Wallace declared that he considered at least 150,000 copies of the Consumers' Guide as "necessary for the public business" in discharging the responsibility of the Department.

Adverse criticisms of the magazine have also been received through the years. A typical example is the charge that the publication is an extravagant publicity scheme to keep unnecessary pictures and statements of prominent Government officials before the public. Complimentary letters have far exceeded criticisms.

Other publications of the Consumers' Counsel Division include the Consumers' Bookshelf -- A Bibliography of Publications on Commodity Buying and other Consumer Problems, prepared by R. S. Hadsell, Consumers' Counsel

- Appropriations and costs incurred by the Consumers' Counsel, activities directed by order of the Consumers' Counsel:

Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Average cost per thousand
1939	[illegible]	[illegible]	61,325	$56,858.29	$2,303.27	$37.56
1940	[illegible]	[illegible]	68,185	54,045.54	[illegible]	39.53
1941	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1942	[illegible]	[illegible]	[illegible]	68,000.10	[illegible]	[illegible]
1943	[illegible]	[illegible]	128,850	57,100.15	2,885.01	22.16
1944	[illegible]	[illegible]	134,850	44,740.00	2,237.00	16.50

Many letters have requested that the Guide be distributed in larger quantities. In March, 1940, Secretary Wallace declared that he considered at least 150,000 copies of the Consumers' Guide as "necessary for the public welfare" in disclosing the responsibility of the Department.

Adverse criticisms of the monthly were also received through the press. A typical example is the charge that the publication is an expensive publicity scheme to keep unnecessary pictures and statements of prominent Government officials before the public. Congressmen letters were the strongest criticisms.

Other criticisms of the Consumers' Journal Division include the "Consumers' Journal -- A Mouthpiece or Justification or Commercial Spite" and other concerns involved, presented by Mr. A. Donald, Commercial Journal

Division, A. A. A., and B. S. Yane, Consumers' Project, Department of Labor, in December, 1937. This 100-page bibliography covers commodities (clothing, foods, household equipment, etc.), related consumer problems (budgeting, standards, etc.), and aids for teachers of consumer problems. The Cooperative Bookshelf lists bulletins on consumer cooperatives. A bulletin on the "Consumption of Citrus Fruits and Related Products in Baltimore and St. Louis" was prepared by Mr. G. W. Hervey, Chief, Research and Statistical Section.

The Consumers' Market Service is a two-page, semimonthly, mimeographed bulletin containing non-technical price-and supply information, which is sent free to about 4,500 subscribers (mostly buyers for large institutions and consumer clubs). Consumer Notes is a two-page, mimeographed clipsheet published weekly since April, 1938, and distributed free to about 500 information channels. Ten thousand copies of Materials for Consumer Education have been distributed. A report prepared in 1938 by Mr. Harold Rowe, entitled "An Administrative History of Consumers' Counsel," was sent by the Division to about 1,700 selected individuals and organizations in 1941.

War Activities

In the months before the United States entered World War II, the Consumers' Counsel pointed out to the Secretary of Agriculture in conferences and by correspondence the inadequacy of agricultural goals for the war period. Mr. Montgomery urged maximum production of all needed foods, and Government subsidies to keep prices within the consumers' reach. Mr. Montgomery admitted that his criticism would not be considered 'practical,'

"because, among other things, Congress has hitched its wagon to high farm prices." 27/ He was sure that if the Secretary of Agriculture would present the whole situation directly to the consuming public, that they would urge maximum goals and Governmental subsidies to hold prices within reason. During this period, U. S. food rationing was not apparently expected.

After war was declared, the American public began stocking up on various commodities. The Consumers' Counsel protested the numerous advertisements urging consumers to stock up on commodities affected by the war program. One example of trade promotion was the campaign of General Mills, Inc., in August, 1942, to get housewives to stock up an Emergency Food Cupboard and Bivouac Basket. The recommended foods were among those required for military and lend-lease orders. The Consumers' Counsel pointed out that individual hoarding reserves aggravate the national food supply program. Hoarding is unfair, because low-income groups cannot afford to buy reserve supplies. He urged that organized community arrangements for emergencies be made. Rationing would be the only fair way to distribute scarce foods. The Consumers' Counsel was convinced that the American public favored general rationing, before it was instituted by the Government.

In an effort to get increased output of farm products, the Department of Agriculture has been advocating price raises. Mr. Montgomery protested that the large-scale, efficient farms, which do not need incentives, are getting the large sums of money. Consumers suffer for they cannot select nutritious diets when prices are high. Of course, it is not likely that adequate nutrition would be completely secured if food prices were low. Mr. Montgomery advocates direct assistance to the farmers by the Department.

27/ Memorandum from D. E. Montgomery to the Secretary, September 4, 1941.

[illegible] Cupboard and Bivouac Basket. The recommended foods were [illegible] required for military and land-lease orders. The Consumers' [illegible] pointed out that individual hoarding reserves aggravate the [illegible] supply program. Hoarding is unfair, because low-income [illegible] afford to buy reserve supplies. He urged that organized [illegible] arrangements for emergencies be made. Rationing would be the [illegible] fair way to distribute scarce foods. The Consumers' Council was [illegible] that the Bureau of Public [illegible] Control [illegible], unless it [illegible] instituted by the Government.

In an effort to get popular [illegible] of this [illegible], the [illegible] [illegible] advocating price raises. [illegible] [illegible] [illegible], [illegible], [illegible] [illegible] the terms sums of money. Consumers suffer for they cannot select [illegible] items when prices are high. Of course, it is not likely that [illegible] rationing would be completely removed if food prices were low. [illegible] allowance level [illegible] be a [illegible] to the [illegible].

[illegible] Consumer Price [illegible], Statement by the Director, Department, [illegible]

The Consumers' Counsel pointed out that during a war emergency consumers face even more serious problems. Special conditions affecting consumers in wartime include: rising prices, shortages of some commodities, and lowering of quality. The Consumers' Counsel cut down the number of field trips, and concentrated on his work in Washington.

The Consumers' Counsel expressed a desire to cooperate with consumer Division of the various war agencies. Administrator Hendrickson appointed Mr. Montgomery to be one of the representatives of the Agricultural Marketing Administration to meet with O. P. A. representatives on the Inter-Departmental Advisory Committee to study activities relating to food and nutrition. Two members of the O. P. A. came to the Consumers' Counsel Division for instruction on the milk problem. The Division sent one of its economists to the Division of Civilian Supply, W. P. B., Food Section, at its request.

The Consumer educational activity of the Consumer Division of the O. P. A. began to expand into the field serviced by the Consumers' Counsel of the Department of Agriculture. The O. P. A.'s semimonthly publication, Consumer Prices, resembled the Consumers' Guide. Mr. Montgomery urged the adoption of a policy of consumer information coordination, in order to increase the effectiveness of consumer broadcasts and press releases. This coordination has not been entirely effected.

A Committee on Wartime Consumer Information was set up, and Mr. Montgomery was named a member. His Division received information from the O. W. I., the O. P. A., and the W. P. B. on commodities affected by wartime conditions, such as automobiles, canned foods, clothing, machinery, and tires. The Division also received releases from the Office of Defense Transportation and the Office of Emergency Management.

[illegible] expressed a desire to cooperate with consumer [illegible] one of the representatives of the Agricultural Marketing [illegible] with O. P. A. representatives on the Inter-Departmental [illegible]tee to study activities relating to food and nutrition. Two [illegible] of the O. P. A. came to the Consumers' Counsel Division for instruc- [illegible] problem. The Division sent one of its economists to the [illegible] Civilian Supply, W. P. B., Food Section, at its request.

[illegible] educational activity of the Consumer Division of the O. P. A. [illegible] into the field serviced by the Consumers' Counsel of the [illegible] of Agriculture. The O. P. A.'s semimonthly publication, Consumer [illegible] Consumers' Guide. Mr. Montgomery urged the adoption [illegible] consumer information coordination, in order to increase the [illegible] of consumer broadcasts and press releases. This coordination [illegible]

[illegible] on wartime Consumer Information was set up, and Mr. Montgomery [illegible]. His Division received information from the O. P. A., [illegible] ice, canned foods, clothing, machinery, and tires. The [illegible] received releases from the Office of Defense Transportation [illegible].

The Consumers' Counsel was also chosen to serve on an Interbureau Committee on Coordination. He cooperated with the various branches of the Agricultural Marketing Administration.

The National Defense Advisory Commission has requested numerous services from the Consumers' Counsel Division. The Program Operations Section has prepared memoranda on the general food price situation, and on certain specific food prices. The Research and Statistical Section has been assisting the Program Operations Section, and has also carried on a research project on the quantitative consumption of foods, clothing, and housefurnishings by consumers in various localities. In addition, it has surveyed the milk situation in the larger cities, including a study of arrangements for securing milk at reduced prices by needy individuals. The Consumer Standards unit has furnished information on consumer goods. One special war project was a study of Navy specifications entitled, "Directory of Emergency Alternate Federal Specifications issued from April 29, 1941 to September 2, 1942." This was prepared by Mr. S. P. Kaidanovsky. The Consumers' Service Section has published special wartime information, which is of interest to consumers.

An appraisal of the Division's significance

The Department of Agriculture has genuinely attempted to serve the farmer, and the public welfare. As the name implies, the Department was established primarily to assist farmers, and is subject to farm organization "pressure groups." The Consumers' Counsel claimed that these "pressure groups" were not in sympathy with his work and were responsible for his removal. The turbulent history of the Consumers' Counsel Division raises the question of whether it could function very effectively in a Department designed for assistance to farmers. To give the farmer high prices and keep the price to the consumer as low as possible, required that the Consumers'

[illegible]

[illegible] general food price situation, and on certain specific [illegible]. The [illegible]arch and Statistical Section has been assisting the [illegible] Section, and has also carried on a research project on the [illegible]ption of foods, clothing, and homefurnishings by consumers in various localities. In addition, it has surveyed the milk situation in [illegible] cities, including a study of arrangements for securing milk at [illegible] by needy individuals. The Consumer Standards unit has furnished information on consumer goods. One special war project was a study of [illegible] publications entitled, "Directory of Emergency Alternate Federal [illegible] issued from April 29, 1941 to September 2, 1942." This was [illegible] Mr. S. P. Kaidanovsky. The Consumers' Service Section has published [illegible] information, which is of interest to consumers.

<u>[illegible] of the Division's significance</u>

The Department of Agriculture has genuinely attempted to serve the farmer, and the public welfare. As the name implies, the Department was [illegible] primarily to assist farmers, and is subject to farm organization [illegible]. The [illegible] last history of the Consumers' Counsel Division raises the [illegible] whether it could function very effectively in a Department [illegible] assistance to farmers. To give the farmer high prices and [illegible] to the consumer as low as possible, required that the Consumers'

Counsel concentrate on the rather negative activity of fighting distribution charges. Distributive groups are well organized and difficult to combat.

The Consumers' Counsel Division might have functioned in the Department of Agriculture without misunderstanding, if it were willing to restrict itself to activities related to the farm program. The majority of the Department officials regarded the creation of a Consumers' Counsel Division as a worth-while addition to the A. A. A. They claimed that they sincerely desired to cooperate with such an agency.

Of course, these officials considered that there was one basic A. A. A. crop control program which every A. A. A. Division, including the Consumers' Counsel Division, would work on under the Administrator's directions. Every Division's activities were expected to be related to the program, since the Administrator was ultimately responsible for all of these activities. Since the farm program affects consumers, it seemed logical to have a consumers' representative work with the Administrator on policy formulation.

The first Consumers' Counsel was of the opinion, however, that there were two basic programs: one was the A. A. A. crop control program to be carried on within the Department of Agriculture under the Administrator's leadership, and the other was an informational program to be carried on outside the Department for the general public as consumers. He also sought to organize "consumer pressure groups" to back him, and thereby make his position in the Administration more secure. The Counsel felt that he was authorized to carry on all of these activities. He publicly criticized some of the decisions of the Secretary. This criticism by a Federal employee was considered disloyal by the Department.

general consensus on the proper scope of activity of farmers' organizations is given. Unofficially, these are well grounded and justifiable in general.

The Consumers' General Division, now functioning within Department of Agriculture without misunderstanding, is in work well in regular client in activities related to the farm program. The majority of the consumers activity involves the creation of a consumers' General Division as a corresponding activity in the U. S. A. They believed that the consumer should be supported by the state.

Of course, these officials considered that there was one basic A. A. A. crop control program which involved U. S. Farmers, including the Consumers' General Division, and it was in this the Consumers' activities. Many activities activities were carried in relation to the program, since the Consumers are responsible for all of these activities. Since the farm program affects consumers, it seems logical to have a consumers' representative work with the Administrator in order formulation.

The Chief Consumers' Counsel was of the opinion, however, that there were two basic programs: one was the A. A. A. crop control program to be carried on which the Department of Agriculture could be "responsible". Secondly, the other was an informational program to be carried by outside the Department for the general public as consumers. He also sought to organize "consumer problem groups" in the country, in order to make his position in the Administration more secure. The Counsel felt that he was expected to carry on all of these activities. He publicly criticized some of the legislation of the Secretary. This criticism by a Federal employee was considered disloyal by the Secretary.

These fundamentally different concepts of the ultimate loyalty of the Consumers' Counsel and the scope of his work undoubtedly were responsible for much of the friction which has existed between the Consumers' Counsel Division and the Administration. It would be difficult for any Federal employee to win his Administrator's confidence and support, when he was at the same time publicly denouncing the latter's policies. Without the Administrator's support, the functions of the Consumers' Counsel within the Department are necessarily limited, and he is less effective in presenting the consumers' viewpoint.

The weakness of the Consumers' Counsel Division has also been attributed to inadequate support by the unorganized consumer public. Rexford Tugwell declared:

> "I am sure that no previous administration ever took its responsibility to consumers so seriously; yet I think it fair to say that this sense of duty has been largely frustrated. What might have been done if there had been a strong, organized consumers' movement no one can say, but it is clear that up to now the lack of support for this point of view has made it possible to make only a very little progress, and this of an uncertain and feeble sort." 28/

Dr. Howe thought that the Division could only be effective if it were supported by consumer organizations. In the past, consumers have not been very conscious of themselves as a group, perhaps because their desires vary.

Popular interest in brand ratings was aroused in 1927 by the publication of "Your Money's Worth" by Chase and Schlink. Consumers' Research, Inc. was established in 1929 in Washington, New Jersey, and now has about 60,000 consumer subscribers, who receive its rating surveys. Consumers' Research has not been in sympathy with all of the New Deal policies, and has not actively cooperated with the Consumers' Counsel Divison of the Department of Agriculture.

28/ Rexford G. Tugwell, "Consumers and the New Deal" (Address delivered before the Consumers' League of Ohio, May 11, 1934).

These fundamentally different concepts of the [illegible] of the Consumers' Counsel and the rest of the [illegible] were apparently more responsible for much of the friction which has existed between the Consumers' Counsel Division and the administration. It would be difficult for the Consumers' Counsel to win the Administrator's confidence and support, when he was at the same time publicly denouncing the latter's policies. Without the Administrator's support, the functions of the Consumers' Counsel within the department are necessarily limited, and he is less effective in presenting the consumers' viewpoint.

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28/ [illegible], "Consumers and the New Deal" (address delivered before the Consumers' League of [illegible], May 15, 1940).

Consumers' Union, on the other hand, carried on cordial relations with the Consumers' Counsel Division. This organization was established by some of the employees of Consumers' Research, who went on a strike. Consumers' Union is located in New York City. Approximately 80,000 consumer members subscribe to its monthly reports and the annual Buying Guide. 29,000 readers subscribe to Bread and Butter "Facts you need before you buy," a Consumer Union weekly publication.

The Consumers' Counsel, A.A.A., has vigorously denounced 'phony' consumer groups, which are promoted by special interests. One of these groups was the Consumers Federation, which claimed to represent all consumers. It was established in New York in 1937. Members of the Committee on Organization were stated to be Mrs. Bert Hendrickson, Stacy May, and Donald E. Montgomery, but these members resigned immediately when they found that the Consumers Foundation had been promoted by the Institute of Distribution, a group of large distributors, who desired to use the Consumer Foundation to campaign against price control legislation.

A non-profit consumer organization made up of consumer groups rather than individuals, the Consumer National Federation, was organized in 1937. Its chairman, Miss Helen Hall, arranged a conference of consumer leaders to meet with Mrs. Roosevelt at the White House in January, 1940. Among those attending were Mr. Montgomery and Miss Taylor of the Consumers' Counsel Division. Mrs. Roosevelt discussed the conference in her column, MY DAY, and summarized the three main objectives of consumer organizations as:

> "More useful information on labels, in advertising and in salesmanship; more facts about the quality of goods, their prices and the conditions under which they are made, and representation of consumers at council tables of business and Government where decisions are being made, affecting the goods and services coming to the market." 29/

29/ Eleanor Roosevelt, "My Day," Washington Daily News (January 22, 1940).

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> "There is very little cooperation in Washington, in state and in [illegible]; [illegible] usually of [illegible], their [illegible] and the [illegible] with the [illegible], are [illegible] of consumers in [illegible] [illegible] and [illegible] are being made, affecting the goods and services coming to the market." 29\

29\ Eleanor Roosevelt, "My Day," Washington Daily News (January 27, 1940).

High food prices and inadequate supplies in the present war emergency may make people more consumer conscious. Perhaps consumer groups will become stronger in the future. Organizations of consumers have not been established as rapidly as consumer interest has grown.

There has been no one general over-all plan for Governmental consumer protection. During the growth of the Consumers' Counsel Division, A. A. A., other consumer Divisions have come and gone in the Government. Most of their careers were shorter than the Consumers' Counsel Division.

The Consumers' Advisory Board under Mrs. Rumsey was appointed by General Johnson in June, 1933. According to Robert S. Lynd, "The Consumers Advisory Board of N. R. A. was an afterthought -- a gesture to the women of the country that was never intended by General Johnson to work." 30/ Dr. Frederic C. Howe, first A. A. A. Consumers' Counsel, often attended meetings of this Board. The Board was supposed to have an equal voice with the Boards representing Labor and Industry on N. R. A. policy, but whether or not consumer representatives influenced decisions depended largely upon the individuals. Consumer recommendations carried more weight as time progressed, and in the period just before the Schechter decision, the Board often influenced decisions.

In October, 1933, a Bureau of Economic Education, to promote county consumer groups, was established within the Consumers Advisory Board. About two hundred County Councils were organized. At this time, Dr. Howe was urging Mayors to set up Councils. In December, 1933, the Consumers'

30/ See the foreword in Persia Campbell, Consumer Representation in the New Deal.

Advisory Board and the A.A.A. Consumers' Counsel called a conference in Washington on the Consumers' role in the N. R. A. and A. A. A. programs. This meeting was attended by fifty experts on consumer problems.

An Executive Order of July 30, 1935, created the Consumers Division within the National Recovery Administration to replace the Consumers Advisory Board of the N. R. A., the Consumers Division of the National Emergency Council, and the Cabinet Committee on Price Policy. This Division worked closely with the Consumers' Counsel of the A. A. A.

Another consumer agency was the Consumers' Counsel of the National Bituminous Coal Commission, which was established by an act of Congress, to represent consumers in administrative procedures. The protests of this Office apparently carried little weight in the beginning, but the Office has grown in effectiveness. The Counsel issued bulletins on coal buying and works for standard coal labeling. Mr. John Carson, a friend of Mr. Montgomery, was forced to resign as Consumers' Counsel.

There is a Consumer Division in the O. P. A., which is now a part of that agency's information office. There was also a consumer member on the National Defense Advisory Commission.

A consumer group which was placed under the direction of the Consumers' Counsel of the Department of Agriculture is the Consumer Project, formerly in the Department of Labor, and now entitled the Consumers Standards Project. This W.P.A. project, with approximately 150 employees, has made a study of consumer standards. In 1937, they prepared a 'model' consumers' cooperative statute, which was adopted. At that time there were four sections working under the Project: the County Council Section, the Information and Publications Section, the Legislative Section, and the

Standards Section. Among the activities of the group are a survey of weights and measures laws, a study of informative labeling, an analysis of the Federal Food, Drug, and Cosmetic Act, and a study of consumer education courses. A library of technical materials on consumer standards, which is one of the finest in the country, has been compiled.

In 1940, the organization prepared an eight-point program of research:

"1. Survey of Federal, State, municipal, and trade standards for consumer goods.
2. Survey of consumer goods standards established in foreign countries by governments, standardizing bodies, and trade associations.
3. Indexing the files of the Consumers' Advisory Board of the National Recovery Administration and the Consumers' Division of the National Emergency Council.
4. Preparation of report on official requirements for labels on consumer goods.
5. Abstracting and summarizing references pertaining to standards, specifications, and test methods for selected consumer commodities.
6. A survey of terms used in designating qualities of consumer goods.
7. Survey of cooperative purchasing organizations.
8. Consumer education survey." 31/

Many members of the Division of the Consumers' Counsel felt that the Division would have been more effective if it had been organized in the Office of the Secretary. Here it could combine and make articulate consumer services performed by the Agricultural Adjustment Administration, the Agricultural Marketing Administration, the Bureau of Agricultural Economics, the Bureau of Animal Industry, the Bureau of Home Economics, the Farm Security Administration, and the Food and Drug Administration. Such an arrangement would coordinate consumer services for maximum effectiveness.

31/ Report of the Consumers' Counsel, 1940, pp. 12, 13.

[illegible] Among the activities of the group are a survey of [illegible] and [illegible] laws, a study of informative labeling, an inquiry [illegible] of the federal FDA, TVA, and Commerce [illegible], and a study of consumer [illegible] laws. A library of material [illegible] on consumer problems, which is one of the finest in the country, has been created.

In 1940, the organization prepared a eight-point program of research:

1. Survey of Federal, State, municipal, and trade practices [illegible] consumer goods.
2. Survey of consumer credit practices, regulations in foreign countries [illegible] advertising, sales, and trade associations.
3. Labeling [illegible] files of the Consumers' Institute, which is the National Testing Laboratory and the Consumers' Bureau of the National Retail Dry Goods Association.
4. Preparation of reports on official [illegible] for labels on consumer goods.
5. Determining and [illegible] relevant particulars in [illegible], specifications, and [illegible] for purchase of utilities.
6. A survey of [illegible] in determining quality of consumer goods.
7. Survey of [illegible] consumer [illegible].
8. [illegible] research." [1]

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[1] Bulletin of the Consumers' Council, 1940, pp. 12, 13.

The Consumers' Counsel made numerous requests to be organized as a part of the Secretary's office. In 1938, Mr. Montgomery wrote:

> "The work of the Consumers' Counsel should be performed for the Secretary. Its consumer service should be available to him on all issues which come to him for decision and which affect the consumer interest.
>
> It is not feasible to develop effectively this type of function if the Consumers' Counsel is a subordinate unit in any one of the agencies whose work is concerned. Nor is it feasible to perform this service with respect to the work of other agencies if the Consumers' Counsel is identified with only one of them. It appears advisable, therefore, that the Consumers' Counsel become attached to the Office of the Secretary." 32/

Former A. A. A. Administrator Evans said that the Division could not have been part of the Secretary's Office, because the Secretary (no matter who held the post), just would not have the time to watch over them. The Editor of the Guide felt that political pressures were too great to ever give the Division independent status in the Secretary's Office.

Public administrators have suggested that a Consumers' Bureau be established in a Department of Public Welfare. Consumers' representatives could be sent out from this Bureau to each Department to coordinate consumer activities and advise Administrators. Until such a Department is created, perhaps a Consumers' Counsel could be set up in a semi-independent Government body, such as the Federal Trade Commission.

32/ Memorandum from D. E. Montgomery to Mr. M. S. Eisenhower, November 12, 1938.

The Consumers' Counsel idea certainly recommends it to impatient members of the Secretary's office. In 1[illegible], Mr. Dunkerley wrote:

> "The work of the Consumers' Counsel cannot be performed for the Secretary. The economic service should be available to all, as all issues which come to him for decision are which affect the consumer interest.
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> It is not feasible to develop effectively this type of function if the Consumers' Counsel is a subordinate unit in any one of the economic phase work is concerned. Nor is it feasible to perform this service with regard to the work of other divisions if the Consumers' Counsel is identified with only one of them. It appears advisable, therefore, that the Consumers' Counsel service should be in the Office of the Secretary." [illegible]

Later on, Administrator Evans said that the Division could not have been part of the Secretary's Office, because the Secretary [illegible] either was half the month, that would not have the time to watch over the [illegible]. The author of the memo felt that political pressures were too great to [illegible] the Division independent status in the Secretary's Office.

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[illegible] memorandum from [illegible] Secretary to Mr. T. G. Gilmore, November 1[illegible], 1[illegible].

Just before the Consumers' Counsel Division was placed under the Director of arketing, A. A. A. Administrator Evans suggested to the Consumers' Counsel that he scope of the GUIDE be enlarged from data on prices to the broader field of utrition, which he felt would be of interest to all consumers. The Administrator onsidered that the GUIDE was a very worthwhile publication.

In November, 1941, the Guide's masthead was revised to Consumers' Counsel, ffice of Director of Marketing.

Wartime status for the Consumers' Guide was urged in December, 1941, by the onsumers' Counsel. He suggested to the Director of Marketing that the publication allowed to receive and print articles from Federal agencies including the tuminous Coal Division, the Bureau of Labor Statistics, the Federal Trade Commission, e Food and Drug Administration, the Office of Civilian Defense, The Oil and Solid el Coordinators in the Department of the Interior, the Office of Price Administration, e Office of Production Management, and the Public Health.

Since the United States' declaration of war, the Consumers' Guide has been voted to articles directly connected with some phase of the war effort. Topics clude the Food for Freedom Campaign, methods of conservation of essential terials, and how families can best adjust themselves to war needs.

Today the policy of the GUIDE is under the supreme control of the Office of r Information. The Department of Agriculture now allows the publication greater titude in its articles, for, in the final analysis, the Guide is responsible to war agency. Since November 1942, the Guide has contained a Consumer News Letter, war supplement briefly summarizing war orders and activities directly affecting nsumers. This News Letter is financed by the O. W. I., and was authorized by e Bureau of the Budget.

January 1943, the Guide's able Editor, Miss Taylor, resigned. Miss Ann Carter s assisted in the January issue.

Many letters have requested that the Guide be distributed in larger quantities. March, 1940, Secretary Wallace declared that he considered at least 150,000 copies the Consumers' Guide as "necessary for the public business" in discharging the sponsibility of the Department.

Cooperative Bookshelf lists bulletins on consumer cooperatives. A bulletin on "Consumption of Citrus Fruits and Related Products in Baltimore and St. Louis" s prepared by Mr. G. W. Hervey, Chief, Research and Statistical Section.

The Consumers' Market Service is a two-page, semimonthly, mimeographed bulletin taining non-technical price-and supply information, which is sent free to about 500 subscribers (mostly buyers for large institutions and consumer clubs). Consumer ies is a two-page, mimeographed clipsheet pbulished weekly since April, 1938, and stributed free to about 500 informational channels. Ten thousand copies of Materials Consumer Education have been distributed. A report prepared in 1938 by Mr. Harold , entitled "An Administrative History of Consumers' Counsel," was sent by the vision to about 1,700 selected individuals and organizations in 1941.

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